Course Information

B.A.II Economics (NEP)

Sem- III

Course Title: Micro Economics II (Major Subject- I)

Course Code: HUGECOMJS301

Duration: 1 July 2025 to 15 October 2025 (60 periods scheduled Monday–Saturday,**)**

Total Periods: 60 (one period per day, Monday–Saturday)

Credit Hours: 4 (15 hours per unit × 4 units)

Teaching Methodology: Lectures, discussions, numerical examples, diagrams (e.g., indifference curves, demand-supply graphs), and assignments.

Course Objectives:

1. To introduce students to various market structures, their classifications, and equilibrium conditions, focusing on perfect competition and its implications for pricing and industry equilibrium.

2. To analyse imperfect market structures like monopoly and monopolistic competition, including price discrimination, dumping, and comparisons with perfect competition.

3. To explain theories of factor distribution, including marginal productivity, rent, and wages, with classical and modern perspectives.

4. To explore theories of interest and profit, incorporating concepts like loanable funds, liquidity preference, risk, uncertainty, and innovation for understanding income distribution.

Learning Outcomes:

Upon completion of the course, students will be able to:

1. Classify market structures, determine price and output under perfect competition in short and long run, and differentiate firm vs. industry equilibrium.

2. Evaluate monopoly features, price discrimination types, and monopolistic competition characteristics, comparing them to perfect competition for policy insights.

3. Apply marginal productivity and modern theories to explain rent (Ricardian, modern, quasi) and wages, analysing their determinants and real-world applications.

4. Interpret interest theories (loanable funds, liquidity preference) and profit theories (dynamic, risk-uncertainty, innovation), assessing their role in economic uncertainty and distribution.

Detailed Teaching Plan:

The plan allocates 15 periods per unit, sequentially assigned to Monday–Saturday sessions from 1 July 2025. Each period is 1 hour. Topics are broken down with approximate period allocations for balanced coverage, including time for explanations, examples, and Q&A.

Subtopics and Period Allocation:

Unit I: Market Structures - I **Focus:** Understanding perfect competition and market equilibrium basics.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
1–15	**July- 2025**	Market Structure - meaning And Classification, Equilibrium conditions, Pure Competition and perfect Competition – Concept.	Lecture on market types (perfect, imperfect); equilibrium conditions; compare pure vs. perfect competition; diagrams for supply-demand.
		Perfect Competition - Definitions, Features, Price Determination Under Perfect Competition, Short Period and Long Period equilibrium	Numerical examples on short-run (supernormal/loss) and long-run equilibrium; graphs for firm MC=MR; group discussion on assumptions.
		Difference between the equilibrium of the firm & industry	Comparative analysis with diagrams; industry supply curve; real-world examples (agriculture markets).
		Market and Normal Price - Concept and Relationship.	Derivation of normal price; relationship with market price; fluctuations discussion; unit quiz.
Unit II: Market Structures - II **Focus:** Analysing imperfect markets like monopoly and monopolistic competition.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**

16–30	**August- 2025**	Monopoly - meaning & Definitions, Features, Classification of Monopoly, price & output. Determination under monopoly	Monopoly curves (AR=MR); short/long-run equilibrium; natural/legal monopolies; case study on utilities
		Comparison between Perfect competition & monopoly, causes of Emergency of Monopoly.	Efficiency loss diagrams; deadweight loss; barriers to entry; antitrust examples.
		Price Discrimination under monopoly - Meaning, Types, conditions, Determination of price and output under Discrimination Monopoly, Dumping - Conditions & Objectives	Degrees of discrimination; multi-market pricing graphs; international dumping cases.
		Monopolistic Competition: Concept, characteristics & comparison between perfect & monopolistic competitions	Chamberlin's model; product differentiation; excess capacity; unit review with problems.
Unit III: Theory of Distribution - I **Focus:** Factor pricing theories for rent and wages.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
31–45	**September-2025**	Marginal productivity Theory of Distribution And modern theory of distribution.	MP theory (Clark); modern refinements; numerical on factor payments; criticisms.
		ent - Concept, Ricardian and Modern Theory of Rent, Quasi rent.	Ricardian differential rent graphs; modern (scarcity+transfer); quasi-rent examples; land market cases.
		Wages: concept, Types, Marginal	Nominal/real wages; MP theory application; backward-bending supply curve.

		Productivity theory of wages.	
		Modern theory of wages.	Bargaining models; efficiency wages; unit quiz with labour market examples.
Unit IV: Theory of Distribution - II **Focus**: Theories explaining interest and profit in distribution.			
Period	**Month**	**Topic/Subtopic**	**Activities/Notes**
46–60	**Octamer - 2025**	Interest - Concept, Types Loanable Fund theory of interest and Liquidity Preference theory of interest.	Gross/net interest; loanable funds (supply/demand); Keynes' liquidity preference; IS-LM integration.
		Classical theory of Risk and uncertainty.	Böhm-Bawerk/Knight's uncertainty; risk premium calculations.
		Profit - Concept, Types, Dynamic Theory of Profit, Risk & Uncertainty bearing Theory	Gross/net profit; Clark's dynamic; Knight's risk-bearing; examples from entrepreneurship.
		Innovation Theory of Profit.	Schumpeter's innovation; creative destruction; course review and mock exam.