

**JYOTI NIVAS COLLEGE AUTONOMOUS
SYLLABUS FOR 2018 BATCH AND THEREAFTER**

Programme: B.A.

Semester: II

**ECONOMICS PAPER II
ECONOMIC THEORY AND POLICY**

Course Code: 18IEEC2

No. of Hours: 75

COURSE OBJECTIVES:

1. To help students understand the behaviour of an economic agent-a consumer, producer, a factor owner.
2. To provide the foundation for the study of other branches of economics.
3. To develop analytical, reasoning and graphical presentation skills.
4. To enable students to appreciate the utility of economics in day -to-day life

LEARNING OUTCOMES

- To understand various market structures and the price determination in the market.
- To understand different aspects of product pricing.
- To analyse the application of micro economic theory to international trade.
- To analyse the international trade theories and the terms of trade.
- To examine the interaction between the trade and commercial policies.

UNIT1: PRODUCT PRICING - I

13 HRS

Concepts of firm, industry

Perfect Competition-meaning, features, price output determination, role of time element in the theory of price determination

Monopoly-meaning, features, price output determination, price discrimination- meaning, types, equilibrium

UNIT2: PRODUCT PRICING - II

13 HRS

Monopolistic competition-meaning, features, price output determination of a firm, wastes in monopolistic competition

Duopoly (concept); Oligopoly- features, Price rigidity, collusive oligopoly, price leadership -(only concepts)

Monopsony, Bilateral Monopoly (only concepts)

UNIT3: PRICING POLICY

12 HRS

Pricing policy- objectives- Methods – Cost Plus Pricing, Administered prices, Rate of Return Pricing, Going Rate pricing, Skimming price, Penetration price, Transfer pricing, dual pricing, product line pricing (only concept).

UNIT4: THEORIES OF INTERNATIONAL TRADE

14 HRS

Part A -Introduction

Application of microeconomic theory to international trade- PPC, CIC, Offer Curves [concept].

Part B-Trade theories

Meaning & importance of international trade, Theories of International Trade- Absolute Cost, comparative Cost advantage, Hecksher-Ohlin Theory- Features and Limitations. Leontief Paradox-meaning

UNIT5: TERMS OF TRADE

09 HRS

Terms of Trade- types and factors affecting the terms of trade; International trade and economic development- Prebisch-Singer hypothesis.

UNIT6: TRADE AND COMMERCIAL POLICY

14 HRS

Protectionism & free trade- arguments for and against; types of Protective devices; tariffs- types and partial equilibrium effect of a tariff. Meaning and forms of economic integration.

REFERENCES:

1. Ahuja, H.L.- Advanced Economic Theory, S.Chand &Co.Ltd., New Delhi, 2006
2. Dwivedi, D.N.- Managerial Economics, Vikas Publishing House Ltd., New Delhi, 2004
3. Jhingan M.L- Principles of Economics, Vrinda Publications[P] Ltd., New Delhi, 2012
4. Jhingan M.L- Advanced Economic Theory, Vrinda Publications[P] Ltd., New Delhi, 2012
5. Koutsoyiannis, A- Modern Microeconomics, International Edition, MacMillan Press,1979
6. Neelamegam, V.- International Trade, Vrinda Publications[P] Ltd., New Delhi, 2010
7. Seth, M.L.- Principles of Economics, Laksmi Narain Agarwal, Agra, 2013.
8. World Bank Publications.

ADDITIONAL REFERENCES:

1. Damodara, Suma- Managerial Economics, Oxford University Press, New Delhi, 2011
2. Gravelle, Hugh; Rees, Ray-Microeconomics, Pearson Education, Third Edition, 2008.
3. Henderson. J and R.E Quandt- Microeconomic theory: A Mathematical approach
4. Mankiw, Gregory- Principles of Economics, 7th edition
5. Pindyck, Robert S., Rubinfeld, Daniel L., Mehta, Prem L.- Microeconomics, Pearson Publication, 2013.
6. Salvatore, Dominick- Microeconomics, IV Edition, Thomson South-Western
7. Samuelson, P.A and Nordaus- Economics, Tata McGraw Hill Publishing House
8. Sodersten, Bo- International Economics, Macmillan Publications limited, London.
9. Varshney, R.L., Maheswari, K.L.- Managerial Economics, Sultan Chand & Sons, New Delhi, 1999.
