

## **Paper 09: INTERMEDIATE MICROECONOMICS - I**

### **Course Description**

The course is designed to provide a sound training in microeconomic theory. Since students are already familiar with the quantitative techniques in the previous semesters, mathematical tools are used to facilitate understanding of the basic concepts. This course looks at the behaviour of the consumer and the producer and also covers the behaviour of a competitive firm.

### **Course Outline**

#### **1. Consumer Theory**

Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference.

#### **2. Production, Costs and Perfect Competition**

Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run; review of perfect competition.

#### **Readings:**

1. Hal R. Varian, *Intermediate Microeconomics: A Modern Approach*, W.W. Norton and Company/Affiliated East-West Press (India), 8<sup>th</sup> edition, 2010. The workbook by Varian and Bergstrom may be used for problems.
2. C. Snyder and W. Nicholson, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.
3. B. Douglas Bernheim and Michael D. Whinston, *Microeconomics*, Tata McGraw-Hill (India), 2009.

**DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI**

**Minutes of Meeting**

**Subject :** B.A. (Hons.) Economics, Third Semester (2012)  
**Course :** 07 – Intermediate Microeconomics - I  
**Date of Meeting :** Monday 30<sup>th</sup> April, 2012, 2.00 P.M.  
**Venue :** Department of Economics, Delhi School of Economics,  
University of Delhi, Delhi – 110 007  
**Chair :** Prof. S.C. Panda

**Attended by:**

1. Sonia Goel, Ramjas College
  2. Santana Surendran, Shaheed Bhagat Bhagat Singh College
  3. Surnajit Deb, Ram Lal Anand (Evening)
  4. Anil Kumar, Daulat Ram College
  5. Sonali Garg, Kamla Nehru College
  6. Anil Kokrady, Hans Raj College
  7. Devika Bhatia, Lady Shri Ram College
  8. Shalini Saksena, Delhi College of Arts Commerce
  9. Sakshi Goel, Janki Devi Memorial College
  10. Sandhya Varshney, Dyal Singh College
  11. Sanjeev Kumar, Dyal Singh College
  12. Savitri Sidana, Atma Ram Sanatan Dharam College
  13. Amrat Lal Meena, Moti Lal Nehru College
  14. Rajiv Jha, Shri Ram College of Commerce
  15. Priti Mendiratta, Maitreyi College
  16. Meenakshi Sharma, Sri Venkateswara College
  17. Sarvesh Bandhur, Shri Ram College of Commerce
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1. The suggested allocation of time for Topic 1 is roughly 60% and for Topic 2 about 40%.
  2. Students would be expected to answer five questions of 15 marks each in the final exam. Three out of four questions would have to be answered from Topic 1 and two out of three questions would have to be answered from Topic 2.
  3. The internal assessment would consist of two class tests of 10 marks each, with 5 marks being allocated for attendance.

**Topic 1. Consumer Theory:**  
**(Estimated number of lectures 36)**

Preferences, utility, budget constraint, choice, demand and Slutsky equation ; buying and selling; choice under risk and intertemporal choice; revealed preference.

- (a) Hal Varian(2010) : Chapters 2 –10 ,Chapter 12.1– 12.4.
- (b) B.Douglas Bernheim and M.Whinston(2009) :Chapter 11.

**Topic 2. Production and Costs:**  
**(Estimated number of lectures 24)**

Technology, isoquants, production with one and more variable inputs; returns to scale; short run and long run costs, cost curves in the short run and long run; review of perfect competition.

- (a) C.Snyder and W.Nicholson(2010): Chapter 9 (p284 – p299);Chapter 10 (p310 – p326 and p330 – p337);  
Chapter 11 (p344 – p356 and p359 – p365).

**Readings**

1. **Hal Varian (2010)** :Intermediate Microeconomics: A Modern Approach, 8<sup>th</sup> edition, Affiliated East West Press (India). The workbook by Varian and Bergstrom could be used for problems.
2. **B.Douglas Bernheim and M.Whinston (2009)** :Microeconomics, Tata McGraw Hill (India).
3. **C.Snyder and W.Nicholson(2010)**:Fundamentals of Microeconomics, Cengage Learning (India).