

<b>AGE-862</b>	<b>Microeconomic Theory</b>	<b>3(3-0)</b>
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**Course objectives:** The aim of this course is to provide an introduction to Microeconomic Analysis. It outlines the theory of markets with relevant applications to individual, business and social issues.

**Course Contents:**

Economic activity and economic theory; Organization of an economic system; factors of production and their reward, factor income and income distribution, Engle curve and demand curve; Demand and supply elasticity price determination; Market equilibrium, surpluses and shortages, Market price and Government set prices, Preferences and demand relationships among goods; Theory of consumer behavior; Different approaches of consumer choice and demand; The theory of firm, production, cost and profit functions; Profit maximization and cost minimization; Optimization; Firm and industry supply analysis; determination of price and output under different market conditions; Models of perfect and imperfect competition; Introduction to game theory; demand and supply for factors of production; Pareto optimality and choice under risk; Optimum distribution of resources/outputs; externalities and public goods, Economies of scale and size, static and dynamic adjustments in the market equilibrium.

**Suggested Readings**

1. [Koutsoyiannis](#), A. 1994. Modern Microeconomics. Macmillan, USA.
2. William, J.B. and M. Melvin. 2012. Microeconomics. 9<sup>th</sup> Ed. South Western Cengage Learning, Mason, USA.
3. Nicholson, W. 2011. Microeconomic Theory, Basic Principles and Extensions. 11<sup>th</sup> Ed. Dryden Press, London, UK
4. Silberberg, E. 2001. The Structure of Economics: A Mathematical Analysis. McGraw-Hill Book Company, New York, USA
5. Hall, R. E. and M. Lieberman. 2008. Microeconomics: Principles and Applications. 5<sup>th</sup> Ed. South Western Cengage Learning, Mason, USA.