

**PAPER NO - 6**

**MICROECONOMICS-I**

**Course Description**

This is the first part of the two part course, and is designed to provide a sound training in microeconomic theory. 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; firm behaviour in 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, accompanying the text 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.