



C.U. SHAH UNIVERSITY WADHWANCITY



- Faculty : Arts & Humanities
- Department of : Economics
- Semester : II
- Name of Subject : Micro Economics-2
- Subject Code : 5AHO2MIE1

Teaching & Evaluations Scheme

Subject Code	Name of the Subject	Teaching Scheme (Hours)				Evaluations Scheme									
		4	0	0	4	30	1.5	70	3	100	--	--	--	100	
5AHO2MIE1	Micro Economics-2														

COURSE OBJECTIVES:

- This course deals with the micro and macro theories of distribution and welfare economics.
- It equips students for policy evaluation tools and concepts.
- It gives micro and macro perspectives of income distribution and helps in developing insight into working of economy with reference to welfare of individual and its implications.

COURSE CONTENTS :

Unit No.	Course Content (Title of the Unit)	Minimum No. of Hours
0	PREREQUISITE	04
I	Distribution: Micro Theories, Marginal Productivity Theory, product exhaustion and Theories: Ricardian, Marxian, Kaldorian and Kalecki's Theories.	14
II	Welfare Economics-Individual and social welfare, role of value judgements, Pigou's concept of welfare problem of welfare maximization, optimality conditions-efficiency conditions, social justice and social optimum; market failure-imperfections, decreasing cost, externalities, uncertainty and non-existence of market, Methods of solving problems of externalities-taxes and subsidies, property rights, Coase theorem, direct government regulation. Public good externalities-Free rider problem.	14
III	Theories of Welfare Economics: Old and New Welfare Economics; Pareto's optimum Social Welfare Conditions, Bergson's Social Welfare Function, Samuelson's Utility Possibility Curve, Hicks and Kald/s	14

	Compensation Principle, Sckitoovski' double Criterion.	
IV	Arrow's Impossibility theorem, equity-efficiency trade off. Theory of second best. Rawlsian concept of Social Justice and its application in social welfare; Amartyas Kumar Sen's contribution in welfare Economics.	14
		60

TEXT AND REFERENCE BOOKS :

1. American Economics Readings in income Distribution, Ge/ge Allen & Brofenbrenner, M. : Income Distribution Theory, Machmillan, 1971.
2. - Henderson & Quandt : Microeconomics Theory A Mathematical Approach. McGraw Hill, New York, 1971.
3. Koutsoyiannis, A. : Modern Microeconomics. Mc Graw Hill,
4. Stonier A W and D C Hage, A Text book of Economic Theory, Person Education, Delhi, 2009
5. Tayl/& Vernon : Microeconomics and Decision Models f the Firm.
6. Bruce. N. And R. Broadway : Welfare Economics.
7. Pndyck R S, D L Rubinfeld and P L Mehta, Microeconomics, Person Prentice Hall, 6th ed. 2007,Delhi
8. Dvid M Kreps. : A Course in Micro Economics Theory, PHI, Delhi, 1999.
9. Ahuja H.L. Advance Economics Theory, S. Chand & Co. Delhi, 2012
10. Ahuja H.L. : Principles of Micro Economics, S. Chand & Co, Delhi, 2011.

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