

DETAILED CONTENTS

1. CONSUMER THEORY I

Economic Models: Theoretical Model, Verification of Economic Model, General Feature of Economic Model, Development of Economic Theory of Value, Modern Developments; Preferences and Utility: Axioms of Rational Choice, Utility, Trades and Substitutions, The Mathematics of Indifference Curves, Utility Functions for Specific Preferences, The Many-Good case; Utility Maximization and Choice: The Two-Good Case (Graphical Analysis), The n-Good Case, Indirect Utility Function, The Lump Sum Principle, Expenditure Minimization, Properties of Expenditure Function

2. CONSUMER THEORY II

Income and Substitution Effects: Demand Functions, Changes in Income, Changes in a Good's Price, The Individual's Demand Curve, Compensated (Hicksian) Demand Curves and Functions, Demand Elasticities, Consumer Surplus; Demand Relationships among Goods: The Two-Good Case, Substitutes and Complements, Net(Hicksian) Substitutes and Complements, Substitutability with Many Goods, Composite Commodities, and Home Production, Attributes of Goods and Implicit Prices

3. PRODUCTION THEORY

Marginal Productivity, Isoquant Maps and the Rate of Technical Substitution, Production with One Variable Input (labour) and with Two-Variable Inputs, Returns to Scale, Four Simple Production Functions (Linear, Fixed Proportions, Cobb-Douglas, CES), Technical Progress

4. COST FUNCTIONS

Definition of Costs, Cost Functions and its Properties, Shift in Cost Curves, Cost in the Short-Run and Long-Run, Long-Run versus Short-Run Cost Curves, Production with Two Outputs - Economies of Scope

5. PROFIT MAXIMIZATION

The Nature and Behaviour of Firms, Profit Maximization, Marginal Revenue, Short-Run Supply by Price-Taking Firm, Profit Functions and its Properties, Profit Maximization and Input Demand - Single-Input Case and Two-Input Case.