

AC – 25/03/2026
Item No. – 5.41 (N)

As Per NEP 2020

University of Mumbai



(Scheme-III)

Syllabus for Major Vertical – 1 & 4

Name of the Programme – B.A. (Economics)		
Faculty of Humanities		
Board of Studies in Economics		
U.G. Third Year Programme	Exit Degree	U.G. Degree in Economics
Semester		V & VI
From the Academic Year		2026-2027

Name of the Course
ADVANCED MICROECONOMICS-III
TYBA

SEMESTER-V

(Credit 4)

Sr. No.	Heading	Particulars
1	Description of the Course:	<p><i>Advanced Microeconomics – III</i> is an analytical and rigorous course designed to deepen students’ understanding of microeconomic theory by focusing on advanced market structures, strategic behaviour, general equilibrium, and welfare economics. Building upon the foundations laid in earlier microeconomics courses, this paper introduces students to modern theoretical frameworks used to analyze complex economic environments.</p> <p>The course emphasizes game theory, information economics, general equilibrium analysis, and welfare theorems, equipping students with the tools needed to interpret real-world market outcomes. Students will explore how individuals and firms behave under conditions of uncertainty, asymmetric information, and strategic interdependence. Special attention is given to the efficiency and stability of competitive markets, market failures, and the role of government in correcting inefficiencies.</p> <p>Through theoretical models, mathematical reasoning, and applied examples, the course prepares learners for advanced research in economics, policy analysis, and higher-level competitive examinations.</p>
2	Vertical:	Mandatory Major Course
3	Type:	Theory
4	Credit:	4 Credits
5	Hours Allotted:	60 Hours
6	Marks Allotted:	100 Marks
7	Course Objectives:	<ol style="list-style-type: none"> 1. To develop an in-depth understanding of advanced microeconomic theories and analytical tools. 2. To introduce students to general equilibrium analysis and the conditions for economic efficiency. 3. To examine the implications of asymmetric information, uncertainty, and market failures. 4. To provide theoretical foundations for welfare economics and policy evaluation. 5. To equip learners for research, higher studies, and competitive examinations requiring advanced microeconomic reasoning.
8	Course Outcomes	<p>After completing this course, students will be able to:</p> <ol style="list-style-type: none"> 1. Analyse complex decision-making situations involving strategic behaviour. 2. Understand and evaluate general equilibrium and welfare models. 3. Critically evaluate market failures and propose government interventions. 4. Use advanced.

9	<p>Module 1: Market Structure: Monopoly and Monopolistic Competition (15 Hours)</p> <p>Monopoly - Measurement of Monopoly Power - Price Discrimination: Types and Degrees of Price Discrimination - Equilibrium under discriminating Monopoly - Regulation of Monopoly Market Product Differentiation in Monopolistic Competition - Chamberlin's Alternative approach- Equilibrium under Monopolistic Competition - Excess Capacity</p> <p>Module 2: Oligopoly (15 Hours)</p> <p>Meaning and Characteristics of Oligopoly Market - Rigid Prices - The Cournot Model - The Sweezy Model of Kinked Demand Curve - Collusive Oligopoly - Cartel: Centralised and Market Sharing Cartel - Imperfect Collusion- Price Leadership Models, Game Theory - Prisoner's Dilemma, Nash Equilibrium and Dominant Strategy Equilibrium</p> <p>Module 3: General Equilibrium and Welfare Economics (15 Hours)</p> <p>Concept of General Equilibrium and Walrasian General Equilibrium Model - Pareto Optimality – The Pareto Optimality Condition of Social Welfare - Marginal Conditions for Pareto Optimal Resource Allocation - Perfect Competition and Pareto Optimality - Arrow's Impossibility Theorem</p> <p>Module 4: Information Economics (15 Hours)</p> <p>Economics of Search and Search Cost - The Theory of Asymmetric Information-The Market for Lemons and Adverse Selection - Risk Preference and Expected Utility - The Problem of Moral Hazard - Market Signaling - Principal-Agent Problem- Market Failure- Remedies for market failure: Taxation, regulation, subsidies- Role of institutions in reducing information problems</p>
10	Text Books
11	<p>Reference Books:</p> <ol style="list-style-type: none"> 1. Jhingan M. L. (2012), Advanced Economic Theory, Vrinda Publications, Delhi. 2. Mankiw N. Gregory (2015), Principles of Microeconomics, Cengage Learning. 3. Patil K. A (Second edition, 2011, Marathi), Advanced Economic Theory-Micro Analysis, Shri Mangesh Prakashan, Nagpur. 4. Salvatore D. (2006), Microeconomics: Theory and Applications, Oxford University Press, New Delhi. 5. Varian Hal R. (8th Edition 2010) Intermediate Microeconomics: A Modern Approach, East-West Press, New Delhi