

DISCIPLINE SPECIFIC CORE COURSE -6 (DSC-6): Optimization Methods for Economic Analysis

Course title & Code	Credits	Duration (per week)			Eligibility Criteria	Prerequisite
		Lecture	Tutorial	Practical/ Practice		
Optimization Methods for Economic Analysis – ECON023	4	3	1	0	Passed Class 12 th	NIL

Learning Objectives

The Learning Objectives of this course are as follows:

- This course covers mathematical techniques used for comparative-static analysis and optimisation problems under various circumstances.
- The objective of this course is to transmit the body of basic mathematics that enables the study of economic theory.
- This course, in particular, includes rules of differentiation and its application in comparative-statistic analysis, unconstrained and constrained optimisation problems.

Learning outcomes

The Learning outcomes of this course are as follows:

- The students will be able to solve optimal solution and policy impacts using comparative- static analysis and statistic optimisation techniques.
- This offers the mathematical foundations necessary for further study of a variety of disciplines including postgraduate economics, statistics, computer science, finance and data analytic.
- The analytical tools introduced in this course will help them to apply optimization techniques used in business decision-making for managers, entrepreneurs and policy makers alike.

Syllabus

UNIT I: Comparative-Static Analysis (15 hours)

Derivatives, Slopes, Limit Theorem

UNIT II: Differentials and its role in Comparative static analysis (15 hours)

UNIT III: Optimisation Problems (15 hours)

Unconstrained and constrained optimisation with single and multiple variables, Lagrangian functions, quasi-concavity and convexity, envelope theorem

Recommended readings

- Chiang, A and Wainwright, K. (2005). Fundamental methods of mathematical economics. Boston, Mass. McGraw-Hill/Irwin.
- Sydsaeter, K., Hammond, P. (2002). *Mathematics for economic analysis*, Pearson Educational.
- Hoy, M., Livernois, J., McKenna, C., Rees, R., Stengos, T. (2001). *Mathematics for Economics*, Prentice-Hall India.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch, University of Delhi, from time to time.