SEMESTER - V

BUSINESS ECONOMICS

1. Course Description

Programme: B.Com (A&F, IB, CAP)	Max. Hours: 60
Course Code: U24/COM/GE/501	Hours per week: 4
Course Type: GE	Max. Marks: 100
No. of credits:4	

2. Course Objectives

- To provide a foundation of the economic analysis of business problems
- To focus on the determination of market prices in production and consumption, demand,supply, production theory, cost concepts & pricing in different markets

3. Course Outcomes

After the completion of the course, the student will be able to:

CO1: Describe Fundamental concepts in Business Economics and also interpret the concepts of Demand and Supply in relation to Business

CO2: Summarize the role of Utility Analysis and Indifference Curves

CO3: Demonstrate the concepts of Production and Cost with reference to business firms

CO4: Classify Pricing in different market conditions

4. Course Content

MODULE I: INTRODUCTION TO BUSINESS ECONOMICS, DEMAND AND SUPPLY (15 Hrs)

Business Economics – Concept, Characteristics, Scope; Significance --Uses/objectives --Role of Managerial Economics- Managerial Economist-Role & Responsibilities

Demand-concept function -Law of Demand-assumptions and exceptions-demand schedule,demand curve-Reasons for downward slope of demand curve-Elasticity of demand -Price elasticity,Income Elasticity and Cross Elasticity of demand.

Supply-concept,Law of Supply,-determinants of supply -Elasticity of supply

MODULE II:UTILITY ANALYSIS (15 Hrs)

Cardinal Utiility Analysis- concept, assumptions. Law of Diminishing Marginal Utility- statement,assumptions and critical analysis-Law of Equimarginal Utility- statement,assumptions and diagrammatic explanation -Indifference Curve Analysis- Meaning of Indifference schedule and Indifference curve- Properties of indifference curves.- Indifference Map -Marginal rate of substitution- Consumer's Equilibrium through indifference curve analysis.-Price Effect, Income Effect and Substitution Effect.-Consumer surplus-Marshall's Analysis and Hick's Analysis

MODULE III PRODUCTION AND COST (15 Hrs)

Production- meaning, Factors of production- Production function- Law of Variable Proportions –Law of Returns to Scale-P-roducer's Equilibrium. Isoquants- Concept, Map, Marginal Rate of Technical Substitution,-Properties of Isoquants, and Isocost lines- Optimal Input Combination- Expansion path,-Economies of Scale,- Cost concepts- Opportunity cost,Fixed cost, Variable cost,Total cost,Average cost and Marginal cost- Cost and output Relationship-Short run and long run-Break Even Analysis-Cost Control+Meaning and techniques

MODULE IV: PRICING UNDER DIFFERENT MARKETS (15 Hrs)

Firm- Concept, Types of Market structures, Perfect Competition – Meaning, Characteristics, Price and output determination of firm and industry. Monopoly- Meaning, Features, Price and output determination in the short run and Price and long run. Monopolistic Competition- Definition, Features, Price and Output determination in the short run and long run. Oligopoly – Definition, Characteristics and Classification- Price Rigidity and Non-price competition- Kinked demand curve-

5. References

1. P N Chopra, Business Economics Kalyani Publications.
2. P.L. Mehta, Managerial Economics, Sultan Chand & Sons
3. D.M.Mithani,Managerial Economics Theory and Applications,Himalaya Publishing House
4. Mithani & Murthy,Business Economics,Himalaya Publishing House
5. M L Jhingan, Micro Economic Theory 2014, Vrinda Publications.
6. Ahuja, A.L, Advanced Economic theory 2014, S. Chand and company Ltd.
7. A Koutsoyiannis, Modern Micro Economics 2003, Palgrave Macmillan U.K
8. H S Agarwal, Principles of Economics 2013, Global Professional Publishing Ltd.

(Latest editions of the readings to be used)

6. Model Question Paper- End Semester Exam

BUSINESS ECONOMICS

Course Code: U24/COM/GE/501 Max Marks:60
Credits: 4 Time:2 Hrs

SECTION – A

I . Answer the following 4 x10= 40 M

1. Describe the concept, features, significance of Business Economics?

OR

2. Explain Law of Demand .State it's exceptions?

3. Describe the Law of Equi Marginal Utility in detail.

OR

4. Explain as to how a Consumer attains Equilibrium using Indifference curve analysis ?

5. Illustrate the Law of Variable Proportions with a suitable diagram ?

OR

6. Demonstrate the application of short run and long run Average Cost Curves in Business Economics ?

7. Analyse the process of Price and output determination in Monopolistic Competition inDetail ?

OR

8. Examine the concept of Price Rigidity in Oligopoly using Kinked Demand Curves?

SECTION – B

II. Answer Any 4 from the following questions: 4 x 5= 20 Marks

9. Discuss the determinants of supply in brief?
10. Explain the properties of Indifference Curves?
11. What are the uses of Economies of Scale?
12. Compare the features of Perfect Competition and Monopolistic Competition?
13. Explain the reasons for the downward slope of the demand curve?
14. Discuss about Income Effect in brief.