

JYOTI NIVAS COLLEGE AUTONOMOUS

**Syllabus (2021 Onwards)
B.COM/TM/LSM/INTEGRATED**

(FIRST SEMESTER)

BUSINESS ECONOMICS I– OPEN ELECTIVE

**45 HOURS;
3 Credits**

LEARNING OBJECTIVES:

- To explain the behaviour of an economic agent- a consumer, producer, a factor owner.
- To demonstrate the utility of economics in managing a business.
- To apply economic principles.

LEARNING OUTCOMES/COURSE OUTCOMES [CO]:

At the end of the course Students will be able to:

- Describe the relationship between business and economics.
- Apply the various aspects of demand and demand forecasting.
- Classify the different types of market structure and summarize pricing under different market structures.
- Explain various fundamental concepts which help to understand the real-world economic issues.
- Interpret the behaviour of consumers in economic activities.
- Analyse the production process, apply various cost concepts and understand the cost behaviour.

**UNIT1: INTRODUCTION TO BUSINESS ECONOMICS – CONSUMER
BEHAVIOUR AND DEMAND ANALYSIS**

15 HOURS

Chapter 1- Introduction to Business Economics

4 HOURS

Definition, objectives and scope of business economics

Goals of business: organizational goals, economic goals, social goals and strategic goals

Business Ethics – meaning, ethical principles in business

Chapter 2 - Demand

6 HOURS

Meaning and law of demand, Elasticity of demand-definition, types- income, cross, advertising, price (degrees of price elasticity),

Measurement of elasticity- Ratio method, factors affecting price elasticity and applications of price elasticity.

Chapter 3- Demand forecasting

5 HOURS

Objectives, methods of demand forecasting: survey of buyers intention, collective opinion, trend projection, economic indicators, demand forecasting for a new product .

Application/Skill development-

1. Business Ethics case studies.
2. Industry 4.0 - Challenges
3. Application of decision making – case studies.
4. Social media platforms, consumer behaviour and the problem of unlimited choices.

UNIT 2: CONSUMPTION AND PRODUCTION ANALYSIS 16 HOURS

Chapter 4- Utility analysis 7 HOURS

Cardinal utility and Ordinal utility[concept]- indifference curves–properties, consumer equilibrium (indifference curve), income effect, price effect, substitution effect [concept], Revealed preference theory.

Chapter 5- Production function 5 HOURS

Meaning, Isoquants-properties, isocost lines , producer’s equilibrium (expansion path) ;
Supply: meaning and law of supply

Chapter 6 - Cost and Revenue concepts 4 HOURS

Fixed cost and variable cost, explicit cost and implicit cost, opportunity cost, U- shaped short run average cost curve, Learning curve[concept].
Revenue analysis-total, average, marginal.

Application/Skill development-

1. Platform economics
2. B2B business – a threat to conventional distribution channels
3. Application in breakeven analysis

UNIT 3: MARKET STRUCTURE (PRODUCT PRICING) 14 HOURS

Chapter 7- Market structure - Perfect competition and Monopoly 7 HOURS

Meaning, types, Perfect competition- meaning and features,
Monopoly – features, short run and long run equilibrium,
price discrimination – meaning, types, equilibrium under price discrimination[third degree]

Chapter 8- Monopolistic competition and Oligopoly 4 HOURS

Monopolistic competition- features
Oligopoly –features

Chapter 9- Strategies 3 HOURS

Price rigidity, price leadership and collusive oligopoly(concepts).
Mergers and acquisition- concept

Application/Skill development-

1. IPL league and auctions
2. Product differentiation and packaging matters- case study.
3. E-Commerce platforms and fillip to small businesses.

REFERENCES:

1. Ahuja, H.L(2016), Business Economics, Thirteenth Edition, S.Chand and Company Ltd
2. Jhingan, M.L and Stephen, J.K(2014), 'Managerial Economics', Second Edition, Vrinda Publishing (P) Ltd.
3. Mehta, P.L(2016), 'Managerial Economics', Sultan Chand and Sons.
4. Mithani, D.M (2016), 'Managerial Economics', Himalaya Publishing House.
5. Pindyck, Robert S., Rubinfeld, Daniel L., Prem L. Mehta, 'Micro Economics', Seventh Edition, PearsonPublications.
6. Salvatore, Dominick(2006), Managerial Economics in a Global Economy, Fourth Edition, Cengage Learning.
7. Varshney, R.L and Maheswari, K.L(2018), 'Managerial Economics', 9thEdition, Sultan Chand and Sons.

ADDITIONAL REFERENCES:

1. Damodaran, Suma(2011), Managerial Economics, Second Edition , Oxford University Press.
2. Koutsoyiannis(2003), Modern Micro Economics, Second Edition, Palgrave Macmillan.
3. Sarangi, Sudipta(2020), Economics of Small Things, Penguin Random House India Pvt. Ltd.