

**JYOTI NIVAS COLLEGE AUTONOMOUS**  
**SYLLABUS FOR 2021 BATCH AND THEREAFTER**  
**B.COM/TM/LSM/INTEGRATED**  
**BUSINESS ECONOMICS - II**

**No. of HOURS: 45; Credits: 3**

**LEARNING OBJECTIVES:**

- To illustrate the principles of managerial economics as are applicable in business.
- To examine the Macro- Economic environment and external sector of the economy.
- To summarize the utility of economics in managing a business.

**LEARNING OUTCOMES/ COURSE OUTCOMES[CO]**

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

- Describe the concepts of balance of payments, foreign capital and its various aspects.
- Summarize the causes, effects of inflation and the measures to control it.
- Explain the basics of national income, business cycle-its causes and consequences.
- Analyse the various methods of pricing strategies.
- Apply the basics of Macro Economics.
- Evaluate the impact of Recession

**UNIT 1: PRICING PRACTICES AND STRATEGIES 14 HOURS**

**Chapter 1- Pricing practices 3 HOURS**

Pricing- objectives. Pricing methods- Full cost pricing, target rate pricing.

**Chapter 2- Pricing strategies 8 HOURS**

Product line pricing, competitive bidding, transfer pricing, skimmed pricing and penetration pricing, administered pricing, psychological pricing, discount pricing, bundle pricing (concepts).

**Chapter 3- Pricing under Price discrimination 3 HOURS**

Peak load and offload pricing, inter- temporal price discrimination (concepts)

**Application/ skill component –**

1. Pricing strategies of select companies in India- Jio, Ola; Uber; Bata

**UNIT 2: MACROECONOMIC ENVIRONMENT AND POLICY** **17 HOURS**

**Chapter 4- INTRODUCTION TO MACROECONOMICS** **6 HOURS**

Macroeconomics- meaning, importance, limitations, concepts- national income, employment, consumption, savings and investment; Circular Flow-Four sector model; National income- concepts of national income, Green Accounting;

**Chapter 5- Business cycle** **5 HOURS**

Meaning, phases and control of business cycles by monetary measures, fiscal measures and administrative measures. Recessionary trends and its impact on different sectors;

**Chapter 6- Inflation** **6 HOURS**

Meaning, causes of inflation- demand and supply side factors, Types; impact on distribution, consumption and production. Control of inflation: monetary and fiscal policy.

Price indices- CPI, WPI. GDP Deflator[ concept] ; Demonetization.

**Application/ skill component:**

1. Understanding the system of National Income Accounting in India;
2. Methodology of estimating WPI & CPI;
3. Calculation of inflation rate.

**UNIT 3: EXTERNAL SECTOR** **14 HOURS**

**Chapter 7- Balance of Trade and Balance of Payments** **7 HOURS**

Meaning, Balance of payments: meaning, structure, causes of disequilibrium and correction of disequilibrium: monetary measures and non-monetary measures.

**Chapter 8- Foreign capital** **4 HOURS**

Types (public and private foreign capital), private foreign capital

**Chapter 9-FDI** **3 HOURS**

Greenfield and Brownfield investment & FII, FDI- role; Exchange Rate – concept.

**Application/ skill component:**

1. Joint Ventures; M & A in India;
2. Indian Multinationals – Motivations for overseas investment

**BASIC READING LIST**

1. Ahuja, H.L ; Business Economics, 13th Edition, S.Chand and Company Ltd, New Delhi, 2019.
2. Jhingan M.L and Stephen, J.K : 'Managerial Economics', 21st Edition, Vrinda Publishing (P) Ltd, New Delhi, 2019.
3. Khan and Jain; Financial Management ,8th Edition, Tata Mcgraw Hill Education Private ltd ,New Delhi, 2019.
4. Mehta, P.L; 'Managerial Economics', Sultan Chand and Sons, New Delhi, 2016.
5. Mithani, D.M : 'Managerial Economics', Himalaya Publishing House, New Delhi, 2017.
6. Pindyck Robert S., Rubinfeld Daniel L., Prem L. Mehta, 'Micro Economics', 7th Edition, Pearson Publications, 2017.
7. Salvatore, Dominick, Managerial Economics in a Global Economy, 4th Edition, Thomson South Western, 2018.
8. Sharma, R.K and Gupta, S.K: 'Financial Management' , Kalyani Publications, Ludhiana, 2016.
9. Varshney, R.L and Maheswari, K.L ; 'Managerial Economics', Sultan Chand and Sons, New Delhi, 2014.

#### **ADDITIONAL READING LIST**

1. Annual Economic survey.
2. Damodaran, Suma, Managerial Economics, 2nd Edition, Oxford University Press, New Delhi, 2010.
3. Koutsoyiannis : Modern Micro Economics, 2nd Edition, Palgrave Macmillan U.K. - Palgrave,2003.
4. Petersen, Craig H. W, Lewis Chris, Sudhir K. Jain, 'Managerial Economics', 4th Edition, Pearson Education, 2005.
5. Sundaram K.P.M: 'Micro Economics', Sultan Chand and Sons , New Delhi.