

**JYOTI NIVAS COLLEGE AUTONOMOUS  
SYLLABUS FOR 2018 BATCH AND THEREAFTER**

**Programme: B.Com**

**Semester: I**

**BUSINESS ECONOMICS – I**

**Course Code: 18BC104**

**No. of Hours: 60**

**COURSE OBJECTIVES:**

- To help students understand the behaviour of an economic agent- a consumer, producer, a factor owner.
- To enable the student to appreciate the utility of economics in managing a business.
- To apply and understand economic principles.

**LEARNING OUTCOME**

- To understand the relationship between business and economics.
- To understand various fundamental concepts which helps to understand the real world economics
- To analyze the behavior of consumer in the economic activities.
- To understand the various aspects of demand and analyze the demand forecasting for economy.
- To analyze the production process and also understand the market forces.
- To analyze various cost concepts and understand the cost behavior in different time periods.
- To analyze the concepts of profit and to understand the process of profit planning.

**UNIT1: MANAGERIAL ECONOMICS**

**06 HRS**

Meaning, definitions, scope of managerial economics, goals of business: organizational goals, economic goals, social goals and strategic goals .Fundamental economic concepts-incremental, time, marginal, discounting, risk and uncertainty, optimization, opportunity cost

**UNIT2: THEORY OF CONSUMER BEHAVIOUR**

**11 HRS**

Cardinal utility- Law of DMU (concept), Equi marginal utility, consumer surplus [Marshallian] ordinal utility- indifference curves-properties, consumer equilibrium (indifference curve), income effect, price effect substitution effect[concept only],

**UNIT3: DEMAND ANALYSIS AND DEMAND FORECASTING**

**16 HRS**

The law of demand, reasons for downward sloping demand curve, exceptions to the law of demand, changes in demand, elasticity of demand: types- income, cross, advertising, [price (degrees of price elasticity), measurement of elasticity : geometric, point, arc, total outlay method (numerical on total outlay method), factors affecting price elasticity and applications of price elasticity. Demand forecasting: objectives, methods of demand forecasting: survey of buyers intention, collective opinion, trend projection (numericals), economic indicators, demand forecasting for a new product

**UNIT4: PRODUCTION ANALYSIS**

**15 HRS**

Production functions-one variable input- the law of variable proportions, Isoquants-properties, principle of marginal rate of technical substitution, iso-cost lines, producers equilibrium (expansion path); laws of returns to scale.

Supply: factors, law of supply, elasticity of supply [concept]

### **UNIT5: COST, REVENUE AND PROFIT ANALYSIS**

**12 HRS**

Cost concepts - fixed cost and variable cost, explicit cost and implicit cost, opportunity cost and incremental cost, total cost, average cost and marginal cost behavior in the short run and long run.

Revenue analysis-total, average, marginal.

Concepts of profits- gross profit and net profit, accounting profit and economic profit, normal profit and super normal profit, monopoly profit and earning of management, profit as a functional reward, windfall profit. Profit planning- Break even analysis [theory only]

### **REFERENCES:**

1. Ahuja, H.L ; Business Economics, S.Chand and Company Ltd, New Delhi.
2. Jhingan, M.L and Stephen, J.K : ‘Managerial Economics’, Vrinda Publishing (P) Ltd, New Delhi
3. Mehta, P.L; ‘Managerial Economics’, Sultan Chand and Sons, New Delhi.
4. Mithani, D.M ; ‘Managerial Economics’, Himalaya Publishing House, New Delhi
5. Pindyck Robert S. , Rubinfeld Daniel L., Prem L. Mehta, ‘Micro Economics’, Seventh Edition, Pearson Publications.
6. Salvatore, Dominick, Managerial Economics in a Global Economy, IV Edition, Thomson South Western.
7. Varshney, R.L and Maheswari, K.L ; ‘Managerial Economics’, Sultan Chand and Sons, New Delhi.

### **ADDITIONAL REFERENCES:**

1. Damodaran, Suma, Managerial Economics, II Edition, Oxford University Press, New Delhi.
2. Koutsoyiannis: Modern Micro Economics.
3. Sundram K.P.M: ‘Micro Economics’, Sultan Chand and Sons, New Delhi.

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