

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

Programme: B.Com.

Semester: II

BUSINESS ECONOMICS - II

Course Code: 18BC204

No. of Hours: 60

COURSE OBJECTIVES:

- To acquaint students with the principles of managerial economics as are applicable in business.
- To give exposure to the Macro- Economic environment and external sector of the economy.
- To enable the student to appreciate the utility of economics in managing a business.

LEARNING OUTCOMES

- To understand the different types of market structure, and the pricing under different market structures.
- To analysis the methods of pricing under different market structures.
- To understand the concepts of capital, the cost of capital and to analyse the methods for capital budgeting.
- To understand the basics of national income.
- To understand the concept of business cycle, its causes and consequences.
- To analyse the causes for inflation and the measures to control it.
- To understand the concepts of balance of payments and its various aspects.
- To analyse the importance of foreign capital for economic development.

UNIT1: MARKET STRUCTURE (PRODUCT PRICING)

15 HRS

Perfect competition- meaning and features, equilibrium-short run and long run equilibrium for firm and industry, monopoly – features, short run and long run equilibrium, price discrimination – meaning, types, equilibrium under price discrimination[third degree], monopolistic competition-features, short run and long run equilibrium, oligopoly –features, price rigidity, price leadership and collusive oligopoly(concepts).

UNIT2: PRICING PRACTICES AND STRATEGIES

10 HRS

Pricing- objectives. Pricing methods- Full cost pricing, marginal cost pricing, target rate pricing. Product line pricing, competitive bidding, dual pricing, transfer pricing, skimmed pricing and penetration pricing, administered pricing (concepts). Price discrimination- peak load pricing, inter-temporal price discrimination (concepts).

UNIT:3 COST OF CAPITAL AND CAPITAL BUDGETING

12 HRS

Meaning and forms of capital, specific costs of capital on debt, preference shares and equity shares, retained earnings, weighted average cost of capital (concepts only)
Capital budgeting: meaning and significance, investment appraisal, net present value of money and internal rate of return (only theory).

UNIT4: MACRO-ECONOMIC ENVIRONMENT AND POLICY

14 HRS

National income- Four sector model, concepts of national income, business cycles: phases and control of business cycles by monetary measures, fiscal measures and administrative measures

Inflation: types, causes of inflation, demand pull inflation and cost-push inflation, impact on distribution, consumption and production. Control of inflation: monetary and fiscal policy.

UNIT5: EXTERNAL SECTOR

09 HRS

Balance of Trade; meaning, Balance of payments: meaning, structure, causes of disequilibrium and correction of disequilibrium: monetary measures and non-monetary measures. Foreign capital-types (public and private foreign capital), private foreign capital -FDI & FII, FDI- role

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. Khan and Jain; Financial Management ,Tata Mcgraw Hill Education Private ltd ,New Delhi.
4. Mehta, P.L; ‘Managerial Economics’, Sultan Chand and Sons, New Delhi.
5. Mithani, D.M : ‘Managerial Economics’, Himalaya Publishing House, New Delhi
6. Pindyck Robert S., Rubinfeld Daniel L., Prem L. Mehta, ‘Micro Economics’, Seventh Edition, Pearson Publications.
7. Salvatore, Dominick, Managerial Economics in a Global Economy, IV Edition, Thomson South Western.
8. Sharma, R.K and Gupta, S.K: ‘Financial Management’ , Kalyani Publications, Ludhiana.
9. Varshney, R.L and Maheswari, K.L ; ‘Managerial Economics’, Sultan Chand and Sons, New Delhi

ADDITIONAL REFERENCES

1. Annual Economic survey.
2. Damodaran, Suma, Managerial Economics, II Edition, Oxford University Press, New Delhi.
3. Koutsoyiannis : Modern Micro Economics .
4. Petersen, Craig H. W, Lewis Chris, Sudhir K. Jain, ‘Managerial Economics’, Pearson Education.
5. Sundram K.P.M: ‘Micro Economics’, Sultan Chand and Sons , New Delhi.
