

**JYOTI NIVAS COLLEGE AUTONOMOUS
BBA/ B.VOC [BANKING AND FINANCE]
BUSINESS ECONOMICS
(FIRST SEMESTER)**

(60 HOURS)

Objectives:

- To acquaint students with the principles of Business Economics as are applicable in business
- To enable the student to appreciate the utility of economics in managing a business
- To apply and understand economic principles

Learning outcomes

- To understand the importance of business economics and its goals.
- To analyse the consumer behaviour.
- To understand the concepts of demand and its importance.
- To understand the ways to measure demand elasticity and the concepts of demand forecasting.
- To understand various concepts of production.
- To analyse various concepts of costs and its behaviour in different time periods.
- To analyse different market structures and the price determination in different time periods.
- To understand the concepts of national income and business cycle.

MODULE 1: BUSINESS ECONOMICS

(6 Hours)

Objectives and importance of Business Economics (2); Goals of Business- Economic Goals, Social Goals, Strategic Goals. (3), Business Ethics (1)

MODULE 2: CONSUMER BEHAVIOUR

(10 Hours)

The Law of Diminishing Marginal Utility- The law of Equi-Marginal Utility(4) The Indifference Curve Technique- Properties, consumers' equilibrium through indifference curves(6)

MODULE 3: DEMAND ANALYSIS

(12 Hours)

Meaning of Demand- Determinants of demand- demand schedule-the demand curve-the law of demand, exceptions to the law of demand-types of demand.(4)

Elasticity of demand- Price elasticity- types- total outlay method of measuring price elasticity- factors influencing elasticity of demand. Income elasticity of demand-cross elasticity of demand.(5)

Demand Forecasting- Meaning, Types (3)

MODULE 4: PRODUCTION ANALYSIS

(6 Hours)

Introduction- Production Functions-Law of Variable Proportions(3)- Isoquants and Isocosts-equilibrium through Isoquants and Iso-cost curves(2)
Law of Supply, Elasticity of supply(1)

MODULE 5: COST ANALYSIS

(9 Hours)

Cost classification- Opportunity cost, Accounting and Economic Cost, Fixed and Variable Cost, total Cost, Marginal cost (2)

Short-run total cost schedule of a firm- TFC, TVC and TC curves- the behavior of short run average cost curve- The long-run average cost curve- cost and output relations. (Simple problems); (5) Break-Even analysis – concept (1)

Revenue concepts- Total, Average and Marginal Revenue (1)

(cont'd

MODULE 6: MARKET STRUCTURE

(13 Hours)

Perfect Competition- meaning, features, price and output determination under perfect competition (5)

Monopoly- meaning, features, types, price and output determination under monopoly. Price Discrimination-Price determination (4)

Monopolistic Competition- meaning, features, price and output determination of a firm under Monopolistic competition (2)

Duopoly- Meaning, Oligopoly- Features and strategies (2)

MODULE 7: NATIONAL INCOME AND BUSINESS CYCLES

(4 Hours)

National Income-meaning, concepts, GNP, GDP, NNP, PI, DPI, PCI (2)

Business cycles- Phases of a trade cycle- adjusting business plans to cyclical situations [2]

Basic Reading List

1. Ahuja. H.L ; ‘ Managerial Economics’, IV Revised Edition 2006. Sultan Chand and sons.
2. H.Craig Petersen, W. Chris Lewis, Sudhir K. Jain; ‘ Managerial Economics’, Pearson Education
3. D.N. Dwivedi : “Managerial Economics”, VI revised edition 2006, Vikas Publishing House Pvt. Ltd.
4. Keating, Barry and J.Holton Wilson: Managerial Economics
5. Koutsoyiannis: Modern Microeconomics
6. Salvatore, Dominick; Managerial Economics, IV Edition; Thomson South- Western.

Additional Reading List

1. Dean,Joel: Managerial Economics
2. Varshney and Maheshwari : Managerial Economics
3. Mote V.L. Paul and Gupta G.S : Managerial Economics

4. D.M. Mithani : Business Economics

5. Sundaram KPM & Sundaram EM; 'Business Economics', 4th Edition 1997, Sultan Chand and Sons.

6. Jhingan, M.L; Macroeconomics

PRACTICAL COMPONENT OF THE SYLLABUS

- Social responsibility of Business- Case study of a company in Bangalore
- Law of DMU -Graph to be drawn from the data provided.
- Engel's Curve
- E-Commerce
- Supply curve
- Learning curve
- Case study- Oligopoly
- Calculation of various national income concepts.