



NAGINDAS KHANDWALA COLLEGE
AUTONOMOUS
DEPARTMENT OF ECONOMICS

Approved syllabus for F.Y. B.COM

BUSINESS ECONOMICS (PAPER I)

Semester I

with Effect from the Academic Year 2017-2018

Core Course (CC)

Module I: Basics of Theoretical and Demand Analysis: (Lectures 15)

A) Meaning and importance of Business Economics-Scarcity and resource allocation- Production possibility curve technique- Basic economic tools for theoretical analysis: functions, equations and identities, graphs and slopes.

B) Elasticity of demand- Meaning and types of elasticities of demand: price, income, cross and promotional. Calculation of elasticities of demand and derivation of demand curves. Demand forecasting-Consumer surplus

Module II: Supply and Production Decisions: (Lectures 10)

Meaning of production function: short run and long run production functions- Law of variable proportions-Iso-quants- meaning and derivation of isoquants-properties of iso-quants- iso-cost line-Least-cost combination- Expansion path- Returns to scale-Economies of scale.

Module III: Cost Analysis: (Lectures 10)

Money, real and opportunity costs-social and private costs- implicit and explicit costs-economic and accounting costs- fixed and variable costs-cost-output relationship in the short run and long run -Nature of Total, Average and Marginal Cost curves in the short and long run - Computation and derivation of cost curves-Learning curve-Producer's surplus.

Module IV: Revenue Analysis: (Lectures 10)

Meaning and features of perfect competition and monopoly- sources of monopoly-Total revenue-Average revenue and Marginal revenue curves under perfect competition and Imperfect competition- Revenue curves and elasticity- Calculation of TR, AR, and MR & derivation of revenue curves.

Approved New Syllabus of FYBCOM

SEMESTER II

Business Economics-II

(Effective from 2017-2018)

Module I: Market structure: Perfect competition and Monopoly: (Lectures 15)

Equilibrium conditions under perfect competition and monopoly--break-even analysis- Objectives of a firm: Profit, sales, growth and satisfaction maximisation. Short run and long run equilibrium of a firm and industry under perfect competition- short run and long run equilibrium of a firm under monopoly- Monopoly equilibrium under different cost conditions.

Module II: Price-Output decisions under Imperfect competition: (Lectures 10)

Meaning and features of monopolistic competition- Selling costs, Product differentiation- Short run and long run equilibrium under monopolistic competition- Meaning and features of oligopoly market- collusive and non-collusive oligopoly- implications of kinked demand curve- Equilibrium under kinked demand curve-Cartels and price leadership models.

Module II: Pricing Practices: (Lectures 10)

Discriminatory pricing: meaning, types, conditions necessary for price discrimination- diagrammatic representation- Dumping: meaning and diagrammatic representation - Marginal cost pricing: diagrammatic representation of public sector under takings and under monopoly- Cost- plus pricing: meaning and components. Transfer pricing method- Mark-up pricing method- Multi-product pricing: meaning, examples and diagrammatic representation.

Module IV: Capital Budgeting: (Lectures 10)

Meaning and importance of capital budgeting- Stages in capital budgeting- Methods of investment appraisal: Pay-back period method, Net present value method and Internal rate of return method- Numerical examples- Merits and demerits of Pay-back period method, Net present value method and Internal rate of return method.