

F.Y. B.Com.
Compulsory Paper
Subject Name -: Business Economics (Micro)
Course Code -: 103

Objectives -:

1. To expose Students of Commerce to basic micro economic concepts and inculcate an analytical approach to the subject matter.
2. To stimulate the student interest by showing the relevance and use of various economic theories.
3. To apply economic reasoning to problems of business.

Term I

Unit No.	Topic	No. of Lectures
1.	INTRODUCTION. 1.1 Meaning, Nature and Scope of Business Economics- (Micro) 1.2 Difference between Micro and Macro Economics. 1.3 Tools for Analysis a. Functional Relationships b. Schedules c. Graphs d. Equations 1.4 Goals of firms a) Economic Goals of Firms 1. Profit Maximization 2. Shareholders Wealth Maximization 3. Management Reward Maximization 4. Growth of the firm 5. Sales maximization 6. Long run survival b) Non-Economic goals 1. Political power, Prestige 2. Social responsibility and welfare 3. Goodwill of employees	12
2.	DEMAND ANALYSIS 2.1 Elasticity of Demand, Types of Elasticity, Price Elasticity, Income Elasticity and Cross Elasticity. 2.2 Consumer Behaviour a) Marginal Utility Approach - Limitations b) Indifference Curve Analysis - Concept - Characteristics - Consumer Equilibrium 2.3 Demand Forecasting and Estimation a) Meaning and objectives of Demand Forecasting b) Methods of Demand Forecasting c) Descriptive Analysis of	20

	<ul style="list-style-type: none"> i) Direct Methods <ul style="list-style-type: none"> 1) Consumer Survey 2) Expert opinion 3) Simulating market situation 4) Controlled Market Experiments ii) Indirect Methods <ul style="list-style-type: none"> 1) Simple correlation 2) Trend Projections 	
3.	<p>PRODUCTION AND COST ANALYSIS</p> <ul style="list-style-type: none"> 3.1 Production Function – Meaning 3.2 Law of Variable Proportions - The Three Stages 3.3 Law of Returns to Scale - The Three Stages 3.4 Economies and Diseconomies of Scale – Internal and External 3.5 Cost Analysis – Types of Costs <ul style="list-style-type: none"> a) Types of Costs <ul style="list-style-type: none"> 1) Total cost 2) Average Cost 3) Marginal Cost 4) Opportunity cost b) Behaviour of Cost Curves <ul style="list-style-type: none"> 1) In the Short Run 2) In the Long Run 	16
Total		48

Term II

Unit No.	Topic	No. of Lectures
4.	<p>REVENUE BEHAVIOUR</p> <ul style="list-style-type: none"> 4.1 Meaning and Importance of Revenue Concepts 4.2 Total Revenue (TR), Average Revenue (AR) Marginal Revenue (MR). 4.3 Relationship between Total Revenue, Average Revenue and Marginal Revenue 	8
5.	<p>PRICING UNDER VARIOUS MARKET CONDITIONS</p> <ul style="list-style-type: none"> 5.1 Perfect Competition – Features and equilibrium 5.2 Monopoly – Features and equilibrium, Price Discrimination 5.3 Monopolistic competition - Features and equilibrium 5.4 Oligopoly – Features 	20
6.	<p>FACTOR PRICING</p> <ul style="list-style-type: none"> 6.1 Marginal Productivity theory of Distribution. 6.2 Rent <ul style="list-style-type: none"> a) Theories of Rent <ul style="list-style-type: none"> i) Ricardian Theory of Rent ii) Modern Theory of Rent 	20

	<p>6.3 WAGES -</p> <p style="padding-left: 20px;">i) Backward sloping Supply curve of Labour.</p> <p style="padding-left: 20px;">ii) Collective Bargaining & Trade Unions</p> <p>6.4 INTEREST -</p> <p style="padding-left: 20px;">a) Theories of Interest –</p> <p style="padding-left: 40px;">i) Loanable Fund Theory of Interest</p> <p style="padding-left: 40px;">ii) Keynes Liquidity Preference Theory of Interest</p> <p>6.5 PROFIT -</p> <p style="padding-left: 20px;">a) Theories of Profit –</p> <p style="padding-left: 40px;">i) Dynamic Theory of Profits</p> <p style="padding-left: 40px;">ii) Innovation Theory of Profit</p> <p style="padding-left: 40px;">iii) Risk and Uncertainty Theory of Profit</p>	
Total		48

Recommended Books

1. Economics – Samuelson P. A. and Nordhaus W. D. TataMcGraw Hill Publishing Co. Ltd. N.Delhi.
2. A text Book of Economic Theory – Stonier A. W. and Hague D. C. Longman Green and Co. London
3. Business Economics – V. G. Mankar, Macmillan India Ltd. N. Delhi.
4. Vyavasaik Arth Shastra (Sukshm) Dr. T. G. Gite, Atharv Publication. Pune
5. Modern Micro Economics – Theory and Applications H.L. Ahujna S. Chand and Co Ltd. N Delhi.
6. Business Economics – Dr. Girija Shankar – Atharv Publication, Pune.
7. Principals of Economics – N.Gregory Mankiw 6th edition 2012 Cengage learning india pvt ltd Delhi
8. Understanding Microeconomics- Robert L. Helibroner and Lester C. Thurow. Prentice Hall International Inc. London.
9. Micro Economic Theory An Analytical Approach – J M Joshi and R. Joshi Wishwa Prakashan (Division of Wiley Eastern Limited) N. Delhi.
10. Business & Managerial Economics (in the global Context) Sampat Mukherjee. New Central Book Agency, Calcutta.
11. Micro Economics Theory and Application D.N.Dwivedi Second Edition PEARSON.