

Deccan Education Society's

**Kirti M. Doongursee College of
Arts, Science and Commerce
(AUTONOMOUS)**



Affiliated to

UNIVERSITY OF MUMBAI

Syllabus for
Program: Bachelor of Commerce
Course: F.Y.B.COM.
Subject: Business Economics

Choice Based Credit System (CBCS)
with effect from
Academic Year 2022-2023

Course Code	Course Title	Credits	Lectures /Week
KUCECO22101	BUSINESS ECONOMICS Paper I	3	3
Course Objectives:			
<ul style="list-style-type: none"> • To enable students to get an overall introduction of Economics. • To make them aware of problem of allocation of scare resources in optimum manner. • To understand the concept of Demand and Demand forecasting which helps to build tools for consumer's theory. • To make them aware about the concept of production and cost which helps to build tools for producer's theory. 			
SYLLABUS			
Unit	Topics	No of Lectures	
I	Introduction Scope & Importance of Business Economics- Basic tools- Opportunity Cost Principle, Incremental and Marginal Concepts, Basic economic relations-functional relations: equations- Total, Average and Marginal relations- Use of Marginal analysis in decision making. The basics of market demand, market supply and equilibrium price- shifts in the demand and supply curves and equilibrium	10	
II	Demand Analysis Demand Function – Nature of demand curve under different markets Meaning, significance, types and measurement of elasticity of demand (Price, income cross and promotional) - relationship between price elasticity of demand and revenue concepts Demand Estimation and forecasting: Meaning and significance - methods of demand estimation- survey and statistical methods (numerical illustrations on trend analysis and simple linear regression)	15	
III	Supply and Production Decisions: Production function:	10	

	Short run analysis with Law of Variable Proportions- Production function with two variable inputs -Isoquants, ridge lines and Least cost combination of inputs-Long run production function and Laws of Returns to Scale - Expansion path - Economies and Diseconomies of Scale and Economies of scope	
IV	<p>Cost of Production: Cost concepts: Accounting cost and economic cost, implicit and explicit cost, social and private cost, historical cost and replacement cost, sunk cost and incremental cost -fixed and variable cost - total, average and marginal cost - Cost Output Relationship in the Short Run and Long Run- (hypothetical numerical problems to be discussed)</p> <p>Extension of cost analysis: Cost reduction through experience LAC and Learning curve and Break Even Analysis (with business application)</p>	10
<p>REFERENCES:</p> <ol style="list-style-type: none"> 1) Mehta P.L. (2000), 'Managerial Economics- Analysis, Problem and Cases', S. Chand & Sons, N. Delhi. 2) Hirchey M. (2003), 'Managerial Economics', Thomson South Western, Singapore. 3) Salvatore D. (2001), 'Managerial Economics in a global Economy', Thomson South Western, Singapore. 4) Samuelson & Nordhas (2002), 'Economics', Tata McGraw Hill, New Delhi. <p>Additional References:</p> <ol style="list-style-type: none"> 1) Frank R.H., Bernkae B.S. (2005), 'Principles of Economics', Edition No.3, Tata McGraw Hill, India 2) Gregory Mankiw (2002), 'Principles of Economics', Thomson South Western, Singapore. 3) Pal Sumitra (2004), 'Economics cases and Concepts', Macmillan, New Delhi. 		

SEMESTER II

Course Code	Course Title	Credits	Lectures /Week
KUCECO22201	BUSINESS ECONOMICS Paper II	3	3
<p>Course Objectives:</p> <ul style="list-style-type: none"> ● To help them in understanding the concepts and working of of market and its types. ● To generate awareness about optimization in economic context. ● To arouse interest in case studies. ● To help the students in effectively understanding pricing methods and capital project evaluation. 			
SYLLABUS:			
Unit	Topics	No of Lectures	
I	<p>Market Structure: Perfect Competition and Monopoly Perfect competition and Monopoly models as two extreme cases - profit maximization and the competitive firm's supply curve - Short run and long run equilibrium of a firm and of industry - Monopoly - Sources of monopoly power – short run and long run equilibrium of a firm under Monopoly</p>	10	
II	<p>Pricing and Output Decisions under Imperfect Competition</p> <p>Monopolistic competition: Competitive and Monopolistic elements of monopolistic competition- equilibrium of firm under monopolistic competitions, monopolistic verses perfect competition, excess capacity and inefficiency, debate over role of advertising, (topics to be taught using case studies from real life examples)</p> <p>Oligopolistic Market: Key attributes of oligopoly- Collusive and non-collusive oligopoly market, Price rigidity, Cartels and price leadership models (with practical examples)</p>	15	
III	<p>Pricing Practices</p> <p>Cost oriented pricing methods: Cost-plus (full cost)/mark-up pricing, marginal cost pricing, Mark up pricing, discriminating pricing, multiple – product pricing - transfer pricing (case studies on how pricing methods are used in business world)</p>	10	

IV	<p style="text-align: center;">Evaluating Capital Projects</p> <p>Meaning and importance of capital budgeting- steps in capital budgeting- Techniques of Investment appraisal: Payback Period Method, Net Present Value Method, and Internal rate of return method (with numerical examples)</p>	10
<p>REFERENCES:</p> <p>Mehta P.L. (2000), 'Managerial Economics- Analysis, Problem and Cases', S. Chand & Sons, N. Delhi.</p> <p>Hirchey M. (2003), 'Managerial Economics', Thomson South Western, Singapore.</p> <p>Salvatore D. (2001), 'Managerial Economics in a global Economy', Thomson South Western, Singapore.</p> <p>Samuelson & Nordhas (2002), 'Economics', Tata McGraw Hill, New Delhi.</p> <p>Additional References:</p> <p>Frank R.H., Bernkae B.S. (2005), 'Principles of Economics', Edition No.3, Tata McGraw Hill, India</p> <p>Gregory Mankiw (2002), 'Principles of Economics', Thomson South Western, Singapore.</p> <p>Pal Sumitra (2004), 'Economics cases and Concepts', Macmillan, New Delhi.</p>		

Evaluation Scheme for First Year (UG) under AUTONOMY

I. Internal Evaluation for Theory Courses – 40 Marks

- (i) Continuous Internal Assessment1 (Assignment-Tutorial) – Marks 20.
- (ii) Continuous Internal Assessment-2 – Marks 20 (Class Test with Fill in the Blanks, True or False & Answer the following)

II. External Examination for Theory Courses – 60 Marks

Duration: 2 Hours

Theory question paper pattern:

All questions are compulsory.

Question	Based on	Options	Marks
Q.1	Unit I	<i>Any 1 out of 3</i>	10
Q.2	Unit II	<i>Any 1 out of 3</i>	10
Q.3	Unit III	<i>Any 1 out of 3</i>	10
Q.4	Unit IV	<i>Any 1 out of 3</i>	10
Q.5	Unit I, II, III, IV	<i>Any 2 out of 4</i>	20

- All questions shall be compulsory with internal choice within the questions.
- Each Question may be sub-divided into sub questions as a, b, c, d, etc. & the allocation of Marks depends on the weightage of the topic.