

**SD COLLEGE HOSHIARPUR**

**DEPARTMENT OF ECONOMICS**

**LECTURE PLAN FOR THE SESSION 2020-21**

<b>Class</b>	<b><u>BBA I (Semester -1)</u></b>
Subject Name & code	BBA106, Essentials of Business Economics-I
Max. Marks and Duration of exam	100and 3 hours
Duration of lecture	45 min per day
No. of lectures Delivered/week	6 lectures

**Course Objective:**

The paper aims at making students aware of the basic concepts of micro and macroeconomics relevant for Business decision making and helping them to understand the application of economic principles in business management.

**Course Outline (Unit Wise):**

UNI T	TOPIC	CONTENT
Unit I	<ul style="list-style-type: none"><li>• Micro vs. Macro Economics Fundamental Concepts used in Business Decision Making: Opportunity Cost, Marginal Principle, Incremental Principle Contribution Analysis, Equi Marginal Principle.</li><li>• Theory of Demand, Law of Demand, Movement along vs. Shift in Demand Curve. Concept of Elasticity of Demand, Types of Elasticity of Demand (Price income and Cross), Factors Affecting Elasticity of Demand. Measurement of Elasticity of</li><li>• Demand Forecasting: Need, Objectives and Methods.</li><li>• Supply: Determinants, Law of Supply and Elasticity of Supply.</li><li>• Theory of Production: Meaning and Concept of Production, Factors of Production and Production Function with One Variable Inputs, Production Function and Technological Progress. Law of Variable Proportions, Returns to a Scale.</li></ul>	This unit aims at making students understood about the basic concepts of micro economics. The unit include important concepts and theories of demand and production function and these basic concepts and theories are important to be understood because they are the basis of many advanced economic theories
Unit II	<ul style="list-style-type: none"><li>• Concepts of Cost and Revenue: Types of Cost, Cost Function, Short run and Long run Cost Curves, Economies and Diseconomies of Scale.</li><li>• Concept of Total, Average and Marginal Revenue, Relationship between AR and MR and Through Elasticity of Demand.</li></ul>	The focus of this unit is on how a production unit manages its cost and revenue in order to maximize its profit. The students will also learn

	<ul style="list-style-type: none"> <li>Market Conditions: Perfect Competition: Features, Equilibrium of Firm, Equilibrium of Industry, And Role of Time Element in Price Determination. Monopoly: Features, Equilibrium of Firm/Industry, Price Discrimination and its Types, Peak load Pricing, Regulation of Monopoly. Monopolistic Combination: Features, Price-Output Policy of the Firm, Selling Cost: Meaning, Effects, Equilibrium of Firm with respect to Selling Cost.</li> </ul>	<p>about functioning and conditions of different market structure.</p>
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### **Teaching Methods and Techniques**

1.	Class room teaching with examples
2.	Group Discussions
3.	Power point presentation
4.	Class room tests & assignments

### **Reference Books:**

1.	Dwivedi, D.N., Macro economics, McGraw Hill education.
2.	Shapiro, E., Macro economics Analysis, McGraw Hill Education.
3.	Salvatore, D. Managerial Economics in a Global Economy, 6th Edition, Oxford University Press.
4.	A. Kontsoyianis; Modern Micro-Economics.
5.	Oberoi, PK, Business Economics, Tandon Publication.
6.	Jain, T.R., Khanna, O.P., Micro Economics, VK Publishers.
7.	Chopra, P.N., Managerial Economics, Kalyani Publishers.
8.	Ahuja HL, Managerial Economics, S.Chand Publishing

### **1 Short Answer type Question:**

- What is the difference between extension in demand and rise in demand?
- Why do most demand curves slopes downwards to the right?
- Differentiate between point elasticity of demand and Arc elasticity of demand.
- What are the characteristics of Demand forecasting?
- What is meant by diminishing returns to scale?
- What is meant by iso-product curve?
- What do you mean by least-cost-factor combination?
- Explain the concepts of Total Fixed cost, Total variable cost and total cost with appropriate examples.
- Why the average cost curve of a firm is U-shaped in the short – run?
- Why LAC curve is called a planning curve?
- Briefly explains the concepts of total revenue, average revenue and marginal revenue.
- Explain diagrammatically that total revenue is maximum when marginal revenue is zero.
- Give difference between perfect competition and pure competition.

- Give difference between shut-down point and break –even point.
- What is price discrimination? When it is possible?
- Explain the concept of selling cost.
- Explain the concept of ‘group’. How is it different from the concept of ‘industry’?

## 2. Long Answer Type Question:

- Explains Law of Demand. Why demand curve slopes downward to the right? Discuss exception of Law of demand.
- Explains different steps of Demand forecasting and its limitations.
- Explain law of variable proportions. Why second stage of the law is called the stage of operation?
- Explains the increasing, constant and decreasing Returns to Scale with the help of ISO- product curve.
- State the salient features of Long – run Average Cost Curve and discuss its usefulness in managerial decision making. Also explain different shapes of LAC in Modern Theory of Costs.
- What is perfect competition? How price and output are determined under perfect competition.
- What is monopoly? How is price determined under monopoly? Is monopoly price always higher than competitive price?
- Explains the concept of Group equilibrium under monopolistic competition.

