

SD COLLEGE HOSHIARPUR

DEPARTMENT OF ECONOMICS

B COM I(SEMESTER-1)

Business Economics-I (BCM-104)

Course Objective:

To study the basic concepts of microeconomics relevant for Business decision making and helping the students to understand the application of economic principles in business management

UNIT-1

Detail of Unit Plan

| Topic | Teaching Points | Specific Objectives | Methods, Approaches and Techniques | Resources & Reference Books: |
|---|--|--|--|--|
| Consumer Behaviour Utility Approach: Meaning, Types, Relationship between Marginal Utility and | Meaning of utility and its types . important laws of utility. | This section is meant to make the student learn about consumer | Class room teaching with examples. Group Discussion | Dwivedi, D.N. Managerial Economics, 7th Edition, Vikas Publishing House. Salvatore, D. Managerial Economics in a Global Economy, 6th Edition, Oxford University Press. Peterson, L. and Jain Managerial Economics, 4th Edition, Pearson Education. A. Kontsoyianis; Modern Micro-Economics. T.R.Jain,O.P.Khanna,Business Economins |

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| <p>Total Utility, Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility, Consumer Equilibrium, Derivation of Demand Curve. Indifference Curve Approach: Properties, Consumer Equilibrium, Price Effect, Income Effect, Substitution Effect, Price Effect a combination of Income Effect and Substitution Effect. Law of Demand. Elasticity of</p> | <p>Study of properties and equilibrium under indifference curve analysis. Studying price, income and substitution effects on consumer equilibrium.</p> | <p>behavior. The Cardinal and ordinal utility analysis help them to understand whether to measure the utility quantitatively or qualitatively. Additionally, they will be able to learn why</p> | <p>s</p> | |
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| <p>Demand: Definitions, Types, Measureme nt, Factors and Importance. Demand Forecasting</p> | | <p>does demand and price are inversely related? What is the difference between law of demand and elasticity of demand? They will learn the importance of demand forecasting in business</p> | | |
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Evaluation:-

- **Long Answer Question**

- What are the scope and salient features of micro economics?
- Explain law of demand. What are its exceptions?
- What do you mean by indifference curve? Explain its features.
- Diagrammatically explain the Law of Variable Proportions.
- What do you mean by cost function? Discuss the traditional theory of costs.
- Explain various types of elasticities of demand. How is price elasticity measured?

Short Answer type question:-

- What are the goals of a business economist?
- What are the salient features of Business Economics?
- What do you mean by law of demand?
- What is indifference curve?
- What is iso-quant?
- Define elasticity of demand.
- What is perfect competition?
- Write down any four assumptions of law of diminishing marginal utility.
- Write down the various degrees of price elasticity of demand?

- What do you mean by liquidity preference theory of interest

UNIT-2

Detail of Unit Plan

| Topic | Teaching Points | Specific Objectives | Methods, Approaches and Techniques | Resources & Reference Books: |
|---|--|--|--|--|
| <p>1) Production and Revenue Production Function: Laws of Returns, Law of Variable Proportion and Returns to Scale.</p> <p>2) Cost and Cost Curves : Concept of Nominal Real Economic Implicit, Explicit and Opportunity Cost, Cost Curve under Short-run and Long-run,</p> <p>3) Relationship between Average Cost and Marginal Cost. Revenue Curves: Concept of Total Average and Marginal Revenue under different Market Conditions,</p> | <p>Technical relation of inputs and output and various laws related to their relationship.</p> <p>how output is produced with the combination of various inputs.</p> <p>Studying revenue and market forms will help the students to understand different</p> | <p>In this section, students will be acquainted with technical relation of inputs and output and various laws related to their relationship. By studying all this, student will be able to understand how output is produced with the combination of various inputs. Further they will learn about the cost function in short and long period.</p> <p>Topic related to revenue and market forms will help the students to understand different concepts of</p> | <p>Class room teaching with examples.</p> <p>Group Discussions.</p> <p>Power point presentation.</p> | <p>Dwivedi, D.N. Managerial Economics, 10th Edition, Vikas Publishing House.</p> <p>Salvatore, D. Managerial Economics, 10th Edition, University Press.</p> <p>Peterson, L. and Jain Managerial Economics, 10th Edition, Vikas Publishing House.</p> <p>A. Kontsoyianis; Modern Micro-Economics, 10th Edition, Vikas Publishing House.</p> <p>T.R.Jain, O.P. Khanna, Business Economics, 10th Edition, Vikas Publishing House.</p> |

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| <p>Relationship between Average Revenue, Marginal Revenue and Elasticity of Demand.</p> <p>4) Perfect Competition: Features, Equilibrium of Firm, Equilibrium of Industry, Role of Time element in Price Determination.</p> <p>Monopoly: Feature, Equilibrium of Firm/Industry, Price Discrimination and Its Types.</p> <p>Monopolistic Combination: Features, Price-Output Policy of the Firm. Selling Cost, Meaning, Effects, Equilibrium of Firm with respect to Selling Cost.</p> <p>Oligopoly: Features, Price Leadership, Collusive Oligopoly, Kinky Demand Curve Analysis</p> | <p>concepts of revenue.</p> | <p>revenue and which forms of market exist in the economy and to what extent these are different or same.</p> <p>This section is also meant to make the students aware about the different forms of market. They will learn how price and output are determined in a particular market during different time periods. Furthermore, why and when producers discriminate on prices will also be taught to the students. They will be get acquainted with kinked demand curve and objectives and advantages of collusions in business.</p> | | |
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Evaluation:-

Long Answer type questions:-

- Discuss the price and output determination under perfect competition.
- Critically examine traditional marginal productivity theory of wages.
- Give a detailed description of classical theory of interest.
- Discuss the relationship of average cost and marginal cost. What is the importance of studying cost function?
- What are the various degrees of price discrimination?
- What do you mean by Ricardian theory of rent?
- What is equi-marginal utility?

Short Answer type question:-

- Define average revenue.
- How is consumer equilibrium gained?
- Explain the term 'monopoly'.
- What is consumer surplus?
- What are the various degrees of price discrimination?
- What do you mean by Ricardian theory of rent?

- What is equi-marginal utility?
- Discuss the relationship of average cost and marginal cost