

Course No-104 Business Economics

Maximum marks	100
Term end	80
Cont. Assessment	20

Course objectives: -

The course is designed to educate students about nature and scope of Business Economics. In addition, the impact of Economic Environment on Managerial Decisions shall also be covered in this course.

Unit -I

1. Business Economics: -

- Definition, nature and scope of Business Economics, its relationship with Economics.

2. Business Environment: -

- Meaning, Importance, Economic and Non-economic factors

2. Utility Analysis: -

- Concept of marginal Utility, Total Utility
- Meaning, assumptions and limitations of Law of Diminishing Marginal Utility and equi-marginal utility

Unit-II

1. Demand Analysis and forecasting: -

- Law of demand, demand schedule, determinants of demand Exception to law of demand
- Elasticity of demand, determinates and measurement.

2. Demand forecasting: -

- Meaning, significance, Techniques of demand forecasting

3. Indifference curve: -

- Meaning, Properties and determination of consumer's equilibrium
- Effects of price change, income effect, substitution effect and breaking of price effect into income and substitution effect(Hicks approach)

Unit- III

1. Production function: -

- Meaning
- Isoquants, properties and determination of producer's equilibrium, Economies of Scale
- Returns to scale

2. Cost analysis: -

- Types of costs, cost-output relationship in the short-run and in the long-run.

3. Theory of profit maximization and determination of equilibrium of a firm.

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Unit IV

1. Price out put determinants in:-
 - Perfect competition, monopoly and monopolistic competition
2. Pricing strategies:-
 - Techniques of Pricing
 - Pricing in life cycle product
 - Transfer Pricing.
3. Business Cycle:-
 - Meaning, Phases
4. Theories of Business Cycle:-
 - Purely monetary theory
 - Over-investment theory
 - Innovation theory

Suggested Reading:

- Ashwathapa Business Environment (Himalaya Publishing House)
- Dingra I.C-Managerial Economics (S.Chand & Co)
- Gupta-Managerial Economics (Tata Mcgraw)
- Henderson and Kaundt-Micro Economics Theory
- Mithani D.M-Managerial Economics, (Himalayan Publishing House)
- Rehman Habibur-Managerial Economics, (Himalayan Publishing House)

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