

## 1.4 – BUSINESS ECONOMICS – I

**Lecture per Week: 4 hours**  
**100**

**Max Marks: 80 (End Sem.) + 20 (IA) =**

**Exam Duration: 3 Hours**

### **OBJECTIVES:**

1. To familiarize the students with basic economic tools and techniques and its application to business and managerial decision making.
2. To familiarize the students with the micro economic business environment including Consumer behavior, cost conditions and market structure etc.

| <b>Unit</b> | <b>Topics</b>   | <b>No of Periods</b> |
|-------------|---|----------------------|
| I           | <b>Business Economics</b> – meaning and scope, Decision – making in business, Fundamental concepts – Incremental and marginal principle, opportunity cost, Time perspective and Discounting principle.                              | 08                   |
| II          | <b>Demand: Price</b> – Quality Relationship, Demand function, Demand Distinctions measurement of Price, Income, Cross and Advertising Elasticity, Demand Forecasting – meaning and trend projection method.                         | 12                   |
| III         | <b>Supply Analysis:</b> Meaning & Law of supply determinants of supply – Elasticity of Supply   | 06                   |
| IV          | <b>Production:</b> Modern Classification Factors of Production. Production Function- Cobb-Douglas production function- Function, Law of variable proportions – Economies and Diseconomies of scale – Production possibilities Curve | 12                   |
| V           | <b>Revenue:</b> Average and Marginal Revenue, Cost – AC, MC, TC, FC, VC, AFC, AVC concepts and calculations – short run & long run cost curves – Cost control and cost reduction  | 12                   |

**Note:** Each unit to be dealt with suitable numerical problems and case studies from the real economic world wherever necessary

**Reference Books:**

1. R.L Varshney&Maheshwari : Managerial Economics, Sultan Chand & sons. New Delhi
2. Dwivedi D.N.: Managerial Economics, Vikas Publishing House, New Delhi.
3. Mithani D.M: Managerial Economics, Himalaya publishers, Mumbai
4. Lekhi R.K.: Business Economics, Kalyani Publishers, New Delhi
5. Salvator Dominic: Managerial Economics, Oxford University Press.
6. Dr.A.B.Kalkundrikar& ABN Kulkarni: Managerial Economics, R.Chand& Co., New Delhi
7. P.N.Chopra : Managerial Economics, Kalyani Publishers, New Delhi.
8. Peterson & Lewis: Managerial Economics, PHI, New Delhi.
9. Mehta P.L: Managerial Economics, Sultan Chand & sons. New Delhi
10. Mankar V.G.: Business Economics, Macmillan, New Delhi.
11. Keat& young: Managerial Economics, Pearson Education India.