

2.4– BUSINESS ECONOMICS – II

Lectures per Week: 4 hours

Max Marks: 80 (End Sem.) + 20 (IA) = 100

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.

Unit	Topics	No of Periods
I	Market structure - meaning- classifications of Markets, Features of Perfect Competition, Pricing under perfect competition – Time element in PC, Monopoly: Features, types, Price Discriminating – meaning & types, Pricing under discriminate monopoly.	10
II	Modern Pricing Models: Monopolistic competition – Features & price – output determination. Product Differentiation, selling costs and product variation, Oligopoly – features –price leadership, Pricing of new products – skimming and penetration pricing.	10
III	Factor Markets: Meaning, Distinction between product and factor markets, Marginal productivity , Theory of distribution, Wages - Real & Nominal wages – Wage differentials- Minimum wages – wages structure in Industry.	10
IV	Interest - Net – Gross Interest - Theories of Interests- Classical, Loanable Funds, Liquidity Preference theory – Profit Net & Gross Profits accounting and economic profits, Theories of profit – Risk & uncertainty, Innovation theory, How do Profits arise? how to limit profits	10
V	Economic tools for business managers: Break Even Analysis: computation, graphical analysis- Elements of Linear programming.	10

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

SUGGESTED REFERENCE:

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, Himalya 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.