

**Vidya Prasarak Mandal's**  
**K.G. Joshi College of Arts & N.G. Bedekar College of**  
**Commerce**  
**(Autonomous)**  
**(Affiliated to University of Mumbai)**

★ **Syllabus for FYBCOM** ★

**Program: B.COM.**

**Specific Programme : Business Economics–JBCUCECO**

## PREAMBLE

This course is designed to give exposure to the students to the basic principles of the market economy. It will help the students to understand the decision-making process of business. It will enable students to learn microeconomics and its application to business Economics.

**Eligibility:** A student must have successfully cleared the (HSC /12<sup>th</sup>) (Commerce) Examination.

**Duration:** Three years (Entire B.COM. Course)

**Mode of Delivery:** Offline (Online in case of emergency)

## DISTRIBUTION OF TOPICS AND CREDITS

Paper No	Paper Name	Semester	Course Nomenclature	Course Code	Credits
1	Business Economics	I	Business Economics -I	JBCUCECO101	3
		II	Business Economics -II	JBCUCECO201	3

विद्या प्रसारक मंडळ  
स्थापना • नौपाडा ठाणे • १९३५

ESTD. 1969

**(Credit Based Semester and Grading System with effect  
from the academic year 2021–2022)**

**Specific Programme: Economics– JBCUCECO**

**PROGRAMME OUTCOMES**

<b>PO</b>	<b>PO Description</b>
<b>PO1</b>	<b>To impart knowledge about commercial and managerial aspects of business along with social and ethical issues</b>
<b>PO2</b>	<b>To acquaint the learners about basic concepts of business communication, mathematical and statistical tools, environmental and other social issues related to commerce and management.</b>
<b>PO3</b>	<b>To make the learners aware about basic concepts of marketing management, production management human resource management, export marketing and financial management along with the recent trends and developments in it</b>
<b>PO4</b>	<b>To give a working knowledge in respect of cost accounting, management accounting, financial accounting, auditing and taxation</b>
<b>PO5</b>	<b>To make the learners aware about various aspects of micro and macro economics and also about Indian financial system and recent development in it</b>
<b>PO6</b>	<b>To acquaint the learners about business law, company secretarial practices and computer systems, its applications and network infrastructure</b>

## PROGRAMME - SPECIFIC OUTCOMES

PSO	PSO Description
PSO1	To equip the students to understand the working of a business unit in the economy.
PSO2	To acquaint the students to understand the basic principles of the market economy.
PSO3	To provide insight into basic analytical tools of macroeconomics.
PSO4	To help the students understand how an economy works and to analyse Economic phenomena.
PSO5	To familiarise the students with fundamental concepts and issues of public finance.
PSO6	To introduce students to various issues and challenges of Indian economy.



## **COURSE OUTCOMES**

### **Semester I**

#### **Course Nomenclature: Business Economics- I**

#### **Course Code: JBCUCECO101**

1. To help the learners understand the working of a business unit in the economy.
2. To acquaint the students with the basic concepts of microeconomics
3. To help the students to understand demand side i.e., consumer's behaviour in the market
4. To provide an overview of the of production analysis in the short and long run
5. To familiarize students with the concepts of costs, revenue and capital budgeting

### **Semester II**

#### **Course Nomenclature: Business Economics-II**

#### **Course Code: JBCUCECO201**

1. To acquaint the students with the equilibrium of a firm under different market structures.
2. To make students understand the pricing policy of a firm.
3. To explain the learners about importance of demand forecasting and its methods.
4. To elucidate the Theory of Distribution i.e. price determination of various factors.

## **Paper I: Business Economics**

### **Semester- I**

#### **Course Nomenclature: Business Economics-I**

#### **Course Code: JBCUCECO101**

#### **Lectures**

##### **Unit I: Introduction to Business Economics**

**10**

Meaning and scope of Business Economics- importance of Business Economics-Concepts of Equation, Functions, Graphs, diagrams, line slope and intercept. Basic economic problems of choice and scarcity-modern objectives of a firm

##### **Unit II: Demand and Revenue Analysis**

**10**

Demand function and determinants of demand- Concept and importance of Elasticity of demand- Price, Income, Cross and Promotional elasticity of demand- Consumer's surplus- indifference curve analysis.

Concept of Revenue- MR, AR and TR and their relationship

##### **Unit III: Production analysis**

**10**

Production function: short run analysis with Law of Variable Proportions- Production function with two variable inputs- isoquants, ridge lines and least cost combination of inputs Long run production function and Laws of Returns to Scale - expansion path – Economies and diseconomies of Scale and economies of scope

##### **Unit IV: Cost of Production and Capital Budgeting**

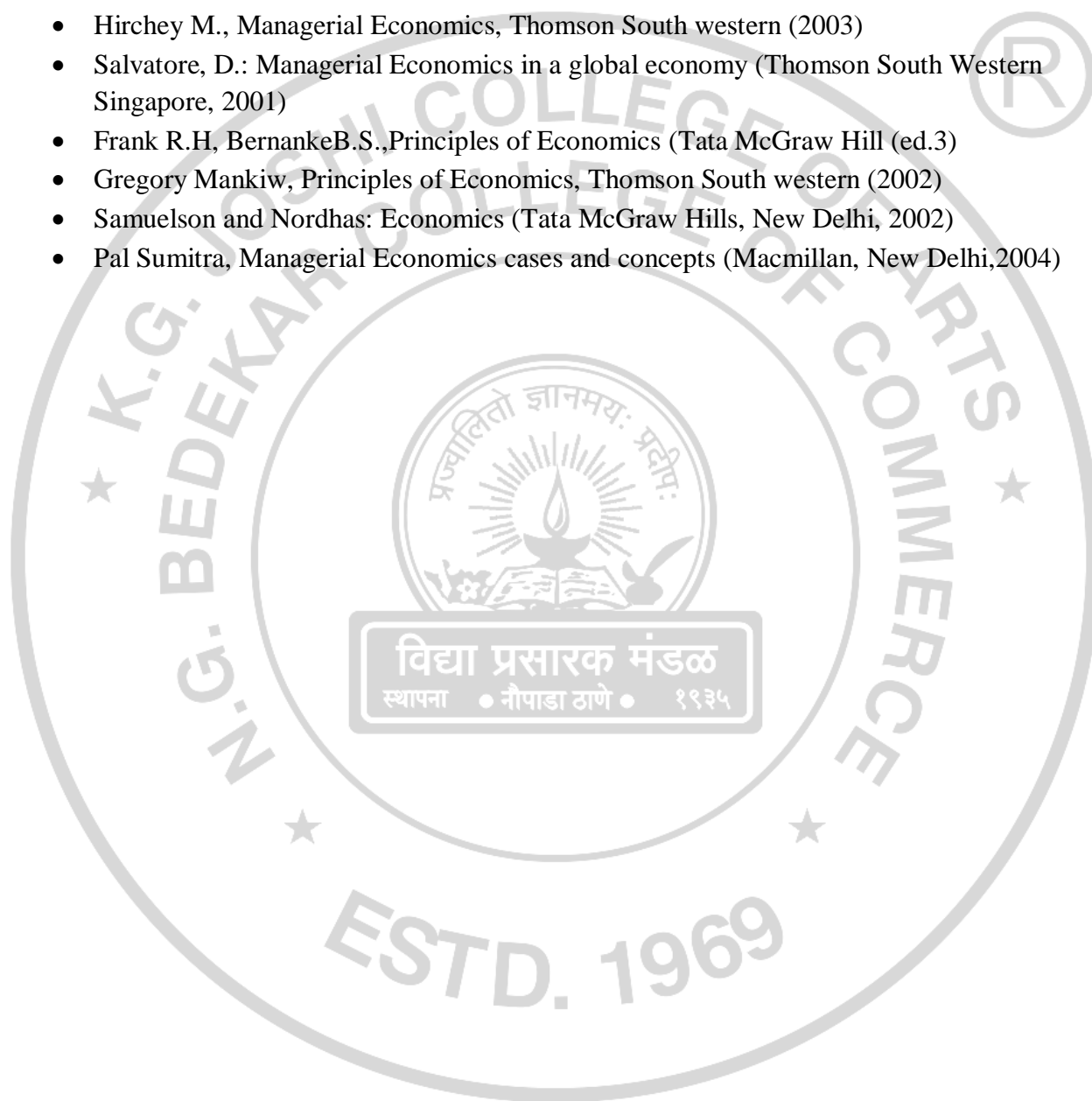
**15**

Cost concepts: accounting cost and economic cost, implicit and explicit cost, social and private cost, historical cost and replacement cost, sunk cost and incremental cost -fixed and variable cost - total, average and marginal cost - Cost Output Relationship in the Short Run and Long Run

Meaning and importance of capital budgeting- steps in capital budgeting- Techniques of Investment appraisal: payback period method, net present value method, and internal rate of return method -Break Even Analysis (with business application)

## REFERENCES

- M. L. Jhingan (2006) - Microeconomic Theory, 5th edition, Vrinda Publication Ltd
- H. L. Ahuja (2016) - Advanced Economic Theory, S. Chand and Company Ltd
- Mehta, P.L.: Managerial Economics – Analysis, Problem and Cases (S. Chand & Sons, N. Delhi, 2000)
- Hirchey M., Managerial Economics, Thomson South western (2003)
- Salvatore, D.: Managerial Economics in a global economy (Thomson South Western Singapore, 2001)
- Frank R.H, Bernanke B.S., Principles of Economics (Tata McGraw Hill (ed.3)
- Gregory Mankiw, Principles of Economics, Thomson South western (2002)
- Samuelson and Nordhas: Economics (Tata McGraw Hills, New Delhi, 2002)
- Pal Sumitra, Managerial Economics cases and concepts (Macmillan, New Delhi, 2004)



## **Paper I: Business Economics**

### **Semester II**

#### **Course Nomenclature: Business Economics -II**

**Course Code: JBCUCECO201**

**Lectures**

#### **Unit I: Market Structure: Perfect Competition and Monopoly 10**

Perfect competition and Monopoly models as two extreme cases - profit maximisation and the competitive firm's supply curve - Short run and long run equilibrium of a firm and of industry - Monopoly - Sources of monopoly power – short run and long run equilibrium of a firm under Monopoly

#### **Unit II: Pricing and Output Decisions under Imperfect Competition 15**

Monopolistic competition: Competitive and Monopolistic elements of monopolistic competition- equilibrium of firm under monopolistic competitions, monopolistic verses perfect competition, excess capacity and inefficiency, debate over role of advertising, (topics to be taught using case studies from real life examples)

Oligopolistic Market: Key attributes of oligopoly- Collusive and non-collusive oligopoly market, Price rigidity, Cartels and price leadership models(with practical examples)

#### **Unit III:Pricing practices and Demand Forecasting 10**

Cost oriented pricing methods: cost –plus (full cost)/mark-up pricing, marginal cost pricing, discriminating pricing, multiple – product pricing - transfer pricing (case studies on how pricing methods are used in business world)

Demand Estimation and forecasting: Meaning and significance - methods of demand estimation- survey and statistical methods

#### **Unit IV: Factor Pricing 10**

Marginal Productivity theory of Distribution.

Theories of Rent – Ricardian Theory of Rent and Modern Theory of Rent

Theories of Wages- Backward sloping Supply curve of Labour and Collective bargaining

Theories of interest – Loanable Funds Theory of Interest

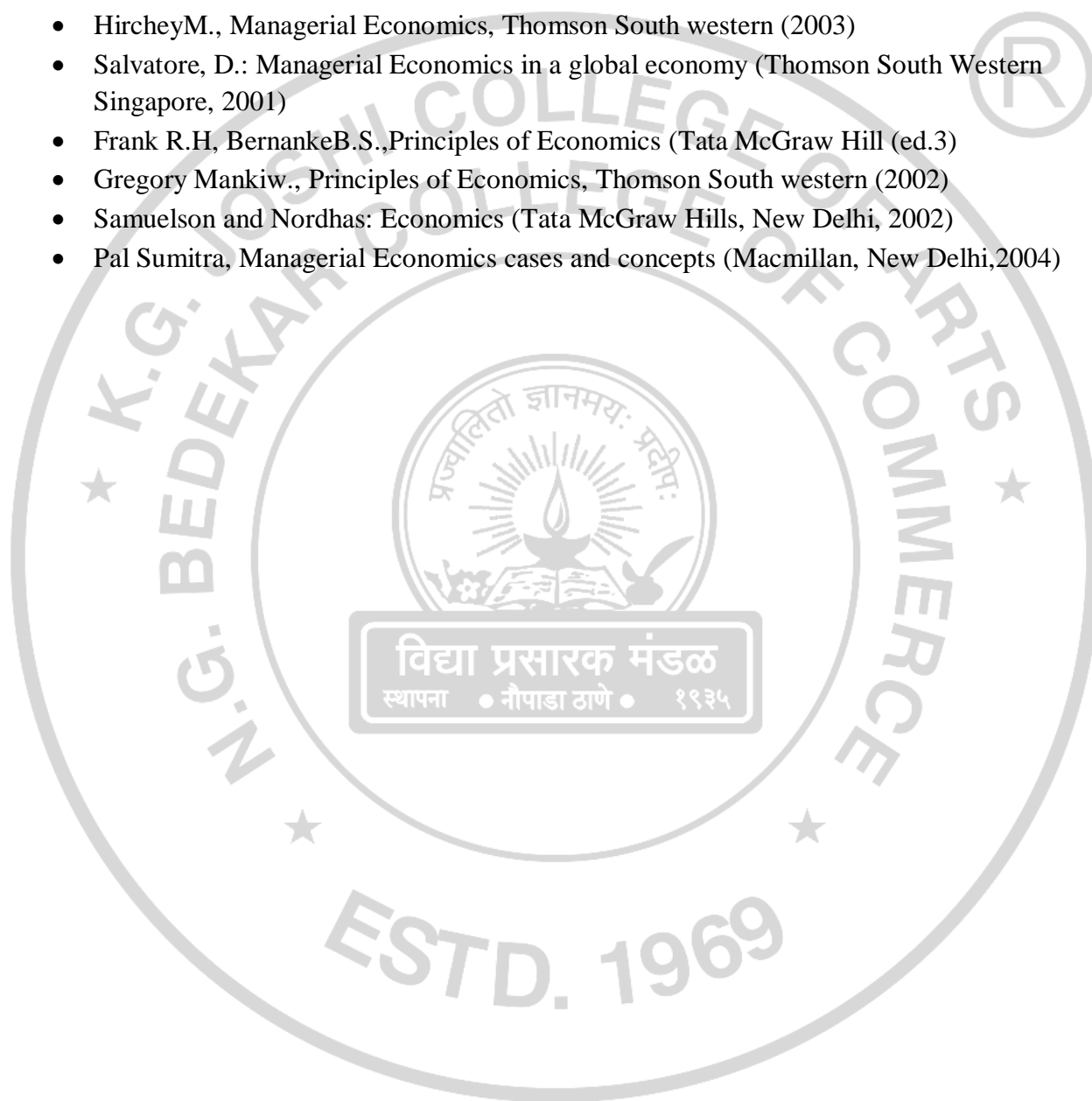
Theories of profit- J. Schumpeter's Innovation Theory of profit and Hawley and F.H. Knight's

Risk and Uncertainty Bearing Theory of Profits



## REFERENCES

- M. L. Jhingan (2006) - Microeconomic Theory, 5th edition, Vrinda Publication Ltd
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## Modality of Assessment

### A. Internal Assessment: 40% - 40 Marks

Serial No.	Evaluation Type	Marks
1	Written Test	20
2	Assignment/Project	15
3	Class Participation	05
	Total:	40

### B. External Examination: 60%- 60 Marks

Semester End Theory Examination

Time: 2 hours

NB. 1. All questions are compulsory.

2. Each question has internal options.

3. Figures to the right indicate marks.

1. Full length question (from Unit I) 15

**OR**

1. A. Short question (from Unit I) 8

B. Short question (from Unit I) 7

2. Full length question (from Unit II) 15

**OR**

2. A. Short question (from Unit II) 8

B. Short question (from Unit II) 7

3. Full length question (from Unit III) 15

**OR**

3. A. Short question (from Unit III) 8

B. Short question (from Unit III) 7

4. Full length question (from Unit IV)

15

**OR**

4. A. Short question (from Unit IV)

8

B. Short question (from Unit IV)

7

