



Hindi Vidya Prachar Samiti's

Ramniranjan Jhunjhunwala College

of Arts, Science & Commerce

(Autonomous College)

Affiliated to

UNIVERSITY OF MUMBAI

Syllabus for the F.Y.B. Com

Program: Commerce:

Course: Business Economics-I

Program Code: RJSUCOM

(CBCS)

2018-19

2019-20

2020-2021

F.Y.B. Com Business Economics Syllabus Semester I & II**DISTRIBUTION OF TOPICS AND CREDITS****F.Y.B. Com BUSINESS ECONOMICS SEMESTER I**

Course	Nomenclature	Credits	Topics
RJCUCOM103	Micro Economics-01	03	1. Introduction 2. Demand Analysis 3. Supply and Production Decisions 4. Cost of Production

F.Y.B.Com. BUSINESS ECONOMICS SEMESTER II

Course	Nomenclature	Credits	Topics
RJCUCOM203	Competition and Market Structure-02	03	1. Market Structure: Perfect Competition and Monopoly 2. Pricing and Output Decisions Under Imperfect Competition 3. Pricing Practices 4. Evaluating Capital Projects

SEMESTER I		L	Cr
MICRO ECONOMICS 01	Paper Code: RJCUCOM103	45	3
UNIT I		10	
Introduction			
Scope and Importance of Business Economics - basic tools - Opportunity Cost principle Incremental and Marginal Concepts - Basic economic relations - functional relations: equations- Total, Average and Marginal relations- Use of Marginal analysis in decision making.			

F.Y.B. Com Business Economics Syllabus Semester I & II

The basics of market demand, market supply and equilibrium price- shifts in the demand and supply curves and equilibrium		
UNIT II	10	
Demand Analysis		
Demand Function - Nature of demand curve under different markets. Meaning, significance, types and measurement of elasticity of demand (Price, income cross and promotional) - relationship between price elasticity of demand and revenue concepts		
Demand Estimation and forecasting: Meaning and significance - methods of demand estimation- survey and statistical methods (numerical examples on trend analysis and simple linear regression)		
UNIT III	12	
Supply and Production Decisions:		
Production function: Short run analysis with Law of Variable Proportions- Production function with two variable inputs- Iso - Quants, 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	13	
Cost of Production		
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- (hypothetical numerical problems to be discussed)		
Extension of cost analysis: Cost reduction through experience- LAC and Learning curve and Break - Even Analysis (with business application)		

References:

- 1) Mehta, P.L, Managerial Economics – Analysis, Problem and Cases (S. Chand & Sons, N. Delhi, 2000)
- 2) Hirchey. M. Managerial Economics, Thomson South western (2003)
- 3) Salvatore, D. Managerial Economics in a global economy (Thomson South Western Singapore, 2001)
- 4) Frank R.H, Bernanke. B.S., Principles of Economics (Tata McGraw Hill (ed.3)
- 5) Gregory Mankiw, Principles of Economics, Thomson South western (2002)
- 6) Samuelson & Nordhas., Economics (Tata McGraw Hills, New Delhi, 2002)
- 7) Pal Sumitra, Managerial Economics cases and concepts (Macmillan, New Delhi, 2004)

F.Y.B.com	Semester I
RJCUCOM103 Paper: MICRO ECONOMICS 01	<p>Course Outcomes 1.1:</p> <ol style="list-style-type: none"> 1. To prepare students to apply economic analyses to their daily lives and see economics in real world situations. 2. Understanding of basic concept of Demand and demand forecasting 3. To study supply and related concepts 4. To make students familiar with various cost concepts and its application in production decisions <p>Learning outcomes:</p> <p>This paper provides an overall introduction to economics as dealing with the problems of allocation of scarce resources in optimum manner. It aims to build a familiarity with the basic tools of consumer and producer theory, the operation of markets and optimization in an economic context. In order to</p>

	explain economic issues and solutions in a practical manner, the concepts are discussed with case studies and numerical problems wherever applicable.
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SEMESTER II (THEORY)		L	Cr
Competition and Market Structure-02	Paper Code: RJCUCOM203	45	3
UNIT I		10	
Market Structure: Perfect Competition and Monopoly			
Perfect Competition and Monopoly Models as two extreme cases - profit maximization 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		15	
Pricing and Output Decisions under Imperfect Competition			
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		10	
Pricing Practices			
Cost oriented pricing methods: cost –plus (full cost)/mark-up pricing,			

F.Y.B. Com Business Economics Syllabus Semester I & II

marginal cost pricing, Mark up pricing, discriminating pricing, multiple – product pricing - transfer pricing (case studies on how pricing methods are used in business world)		
UNIT IV	10	
Evaluating Capital Projects		
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 (with numerical examples)		

F.Y.B. Com	Semester II:
RJCUCOM203	Course Outcomes 2.1:
Paper: COMPETITION AND MARKET STRUCTURE-02	<ol style="list-style-type: none"> 1. To study market structures perfect competition & Monopoly and its price output combinations. 2. To study market structures Monopolistic Competition & Oligopoly and its price output combinations. 3. Understanding Pricing practices in the business world. 4. Understanding Capital budgeting and various techniques of investment appraisal. <p>Learning outcomes:</p> <p>This paper provides an overall introduction of market structure. It aims at understanding the output price determination under different market structure. It also explains the pricing methods and case studies related with capital budgeting.</p>

References:

- 1) Mehta, P.L.: Managerial Economics – Analysis, Problem and Cases (S. Chand & Sons, N. Delhi, 2000)
- 2) Hirchey. M. Managerial Economics, Thomson South western (2003)
- 3) Salvatore, D.: Managerial Economics in a global economy (Thomson Southwestern Singapore, 2001)
- 4) Frank Robert. H, Bernanke. Ben S., Principles of Economics (Tata McGraw Hill (ed.3)
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- 6) Samuelson & Nordhas: Economics (Tata McGraw Hills, New Delhi, 2002)
- 7) Pal Sumitra, Managerial Economics cases and concepts (Macmillan, New Delhi, 2004)