Objective - This course is meant to acquaint the students with the principle of Business Economics as are applicable in business.

Course Inputs

Unit I
Introduction: Basic problems of an economy working of price mechanism.

Unit II
Demand Analysis: Determinants of demand - types of demand-demand function.

Unit III
Elasticity of demand: Concept and measurement of elasticity of demand - price elasticity, income elasticity and cross elasticity of demand - determinants of elasticity of demand - advertising elasticity of demand.

Unit IV

Unit V
Production function: Law of variable proportions - returns to scale internal and external economies and diseconomies of scale.

Unit VI
Cost and Revenue Curves: Fixed and variable costs - average cost, marginal cost - average revenue and marginal revenue - short run and long run cost curves.
**Unit VII**

**Market Structure**: Definition and characteristics of perfect competition, monopoly, monopolistic competition and oligopoly.

a) Perfect competition-Equilibrium of firm industry in the short run and long run.

b) Monopoly-Determinants of Price and output under monopoly, Price discrimination, meaning, types and when possible and profitable.

c) Monopolistic competition - price and output determination, selling costs.

d) Oligopoly-Kinky demand curve-price leadership.

**Unit VIII**

Cost and Profit forecasting: determination of Break Even Point uses and limitation of Break Even Analysis.

**Unit IX**

Basic concepts of business economics: Opportunity cost incremental principle - principle of time perspective - discounting principle - Equi marginal principle.

**Unit X**

Factor pricing: Money Wage and real wage - wage differentials in same and different occupations - profit - dynamic theory, innovation, risk and uncertainly theory.

**Suggested Readings**

1. Nells and Parker
   The essence of Business Economics, Prentice Hall, New Delhi

2. Ferguson P.R.Rothschild R and Ferguson G.J Business Economics
   Macmillon Hampshize

3. Ahuja H.L.
   Business Economics Micro, S. Chand & Co., New Delhi

4. Ahuja H.L.
   Principle of Micro Economics, S. Chand & Co., New Delhi


6. G.S.Gupta
   Managerial Economics, Tata Macgraw Hill
7 Joel Dean
Managerial Economics, Prentice House if India Pvt.Ltd, New Delhi

8 R.L. Varshney and K.L. Maheshwari
Managerial Economics, S. Chand & Co., New Delhi

9 Hagne D.C.
Managerial Economics, Longman

10 M.V. Pylee, J.T. Payyipilly, K.C. Sankarnarayan
Managerial Economics - An introductory analysis, S. Chand & Co., New Delhi

11 Sampat Musherejee


13 Dholakia Ravindra and Oza A.N. Micro economics for managers, Oxford.

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