

**F. Y. B. Com. Accounting and Finance**

**Semester - I**

**Business  
Economics I**

# Syllabus

**Revised Syllabus and Question  
Paper Pattern of Courses of  
B.Com.  
(Accounting and Finance)**

# Syllabus

**Program at Semester I  
with Effect from the  
Academic Year 2016-2017**

# **SYLLABUS**

**Revised Syllabus and Question  
Paper Pattern of Courses of  
B.Com.  
(Accounting and Finance)**

# SYLLABUS OBJECTIVES

- 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 explain economic issues and solutions in a practical manner, the concepts are to be discussed with case studies and numerical problems wherever applicable.

# Module I

## 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, The  
basics of market demand, market supply and  
equilibrium price- shifts in the demand and  
supply curves and equilibrium 2

# Module II

## 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 elasticity of demand and revenue concepts Demand estimation and forecasting: Meaning and significance - methods of demand estimation : survey and statistical methods (numerical illustrations on trend analysis and simple linear regression)**

# Module III

## Supply and Production Decisions and Cost of 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.**



# Module III

## Supply and Production Decisions and Cost of Production

**Cost concepts: Accounting cost and economic cost, implicit and explicit 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), LAC and Learning curve - Break even analysis (with business applications)**

# Module IV

**Market structure: Perfect competition and Monopoly and Pricing and Output Decisions under Imperfect Competition**

Short run and long run equilibrium of a competitive firm and of industry - monopoly - short run and long-run equilibrium of a firm under Monopoly Monopolistic competition: Equilibrium of a firm under monopolistic competition, debate over role of advertising (topics to be taught using case studies from real life examples)

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

# Module V

## Pricing Practices

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

# SYLLABUS OUTCOMES

- Expose students of Commerce to basic Micro Economics Concepts and inculcate in analytical approach to the subject matter.
- Stimulate the students' interest by showing the relevable and use of various economic theories and functions.
- Apply economic reasoning to problems of business.