

SYLLABUS FOR F.Y.B.Com : BUSINESS ECONOMICS-MICRO
(W.E. FROM JUNE, 2022)
Academic Year 2022-23
(Semester- II)

Class : F.Y.B.Com.
Paper Code: UCBE121
Paper : Title of Paper : Business Economics–Micro II
Credit : 3
No. of lectures: 48

Learning Objectives:

1. To stimulate the student interest by showing the relevance and use of various economic theories.
2. To apply economic reasoning to problems of business.

Course Outcome:

1. **Understanding Fundamental Concepts:** Develop a solid understanding of foundational microeconomic concepts, including supply and demand, elasticity, consumer behavior, and production theory.
2. **Market Structures:** Analyze different market structures, such as perfect competition, monopoly, oligopoly, and monopolistic competition, and understand how they impact pricing and output decisions.
3. **Consumer Behavior:** Explore the factors influencing consumer choices, including utility theory, budget constraints, and the concept of indifference curves.
4. **Producer Behavior:** Examine the behavior of firms, including production costs, profit maximization, and the impact of different market structures on firm behavior.
5. **Market Equilibrium:** Understand the forces that lead to market equilibrium and how changes in supply and demand affect prices and quantities.
6. **Welfare Economics:** Explore concepts related to economic welfare, including consumer and producer surplus, deadweight loss, and the efficiency of market outcomes.
7. **Externalities and Public Goods:** Analyze the role of externalities and public goods in market transactions and understand the potential market failures associated with these concepts.

TOPICS/CONTENTS:

Unit 1: REVENUE BEHAVIOUR (08)

- 1.1 Revenue Concepts : Meaning, Definition and Importance
- 1.2 Relationship between Total Revenue, Average Revenue and Marginal Revenue
- 1.3 Concept of Break Even Point

Unit 2: PRICING UNDER VARIOUS MARKET CONDITIONS (20)

- 2.1 Concept of Perfect Competition and Imperfect Competition
- 2.2 Perfect Competition : Features and Equilibrium
- 2.3 Imperfect Competition:
 1. Monopoly – Features and Equilibrium, Price Discrimination
 2. Duopoly- Concept, Features
 3. Oligopoly – Concept, Features
 4. Monopolistic Competition - Features and Equilibrium, Product Differentiation
- 2.4 Pricing Practices : Cost Plus Pricing, Penetration Pricing, Price Skimming, Transfer Pricing

Unit 3: FACTOR PRICING (20)

- 3.1. Classification of Factors of Production

- 3.2 Rent :i) Ricardian Theory of Rentii) Modern Theory of Rent
 3.3 Wages :i) Backward Sloping Supply Curveof Labour.ii) Concept of Collective Bargaining
 3.4 Interest :i) Loanable Fund Theory of Interestii) Keynes Liquidity Preference Theory of Interest
 3.5 Profit :i) Risk Theory of Profitii) Uncertainty Theory of Profit iii)Dynamic Theory of Profit
 iv)Innovation Theory of Profit

References:

1. Goon A. M., Gupta M. K., Das Gupta B. (1999): Fundamentals of Statistics, Vol.II,World Press, Calcutta.
2. Gupta and Kapoor : Fundamentals of Mathematical Statistics, SultanChand and Sons, New Delhi.
3. Sarma K. V. S. (2001) Statistics made it simple: Do it yourself on PC. Prentce Hall of India, New Delhi.
4. Gupta and Kapoor : Fundamentals of Applied Statistics, Sultan Chandand Sons, New Delhi.
5. B. L. Agarwal : Programmed Statistics, New Age International Publishers,New Delhi.
6. Goon A. M., Gupta M. K., Das Gupta B. (1999): Fundamentals of Statistics, Vol.II,World Press, Calcutta.
7. Gupta and Kapoor : Fundamentals of Mathematical Statistics, SultanChand and Sons, New Delhi.

Course Outcome	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8
Understanding Fundamental Concepts	3	2	1	3	3	2	1	3
Market Structures	3	2	1	3	3	2	1	3
Consumer Behavior	3	2	2	3	3	2	1	3
Producer Behavior	3	2	1	3	3	2	1	3
Market Equilibrium	3	2	1	3	3	2	1	3
Welfare Economics	3	2	1	3	3	2	1	3
Externalities and Public Goods	3	2	2	3	3	2	2	3

Rating Scale:

- 3: Strong alignment between the course outcome and program outcome; the course effectively addresses the program outcome.
- 2: Moderate alignment; the course provides some coverage of the program outcome but may need improvement.
- 1: Limited alignment; the course touches on the program outcome but requires significant enhancement.
- 0: No alignment; the course does not address the program outcome.

Justifications:

- PO1: Research-related skills are incorporated in understanding economic concepts, market structures, and welfare economics.
- PO2: Effective citizenship and ethics are indirectly addressed in the analysis of externalities and public goods.
- PO3: Social competence is covered in discussions about consumer behavior and the analysis of externalities and public goods.

PO4: Disciplinary knowledge is directly addressed in all course outcomes as it focuses on various microeconomic concepts and structures.

PO5: Personal and professional competence is developed through understanding microeconomic concepts, market structures, and welfare economics.

PO6: The course promotes self-directed and lifelong learning by covering foundational microeconomic concepts and market structures.

PO7: Environment and sustainability are indirectly covered in discussions about externalities and the potential market failures associated with them.

PO8: Critical thinking and problem-solving skills are developed throughout the course, especially in the analysis of market structures, consumer and producer behavior, and externalities.