

Enclosure to Item No. 4.72

A.C. 25/05/2011

UNIVERSITY OF MUMBAI



Syllabus for the F.Y.B.Com.

Program : B.Com

Course : Business Economics-I

(Credit Based Semester and Grading System with
effect from the academic year 2011-2012)

Business Economics

- a. Section I of the syllabus for semester 1 and section II for semester 2
- b. 40 marks may be split into –
 - i) 2 tests of 10 Marks each. In this 6 marks will be of objective type questions and 4 marks for case studies.
 - ii) 10 marks for project or assignment and
 - iii) 10 marks for attendance and class participation
- c. End of the Semester Test for 60 marks will cover 3 Modules each in both the Semesters.

The Pattern of Question Paper. (End of the Semester Test for 60 marks)

Four questions in all.

All the questions are **COMPULSORY**.

There will internal choice.

Each question will for 15 marks.

Q1. (From Module I)

A

B

OR

A

B

Q2. (From Module II)

A

B

OR

A

B

Q 3. (From Module III)

A

B

OR

A

B

Q.4 (Explanatory Notes- Any Two)

(One Explanatory Note each from Module I, II and III)

A.

B

C

OR

A.

B

C

F.Y.B.COM
CORE SUBJECT: BUSINESS ECONOMICS PAPER I
SYLLABUS FOR
SEMESTER I and II
SEMESTER- I

Objectives- The objective of the course is to familiarize the students with the basic concepts of microeconomics and its application to business situations. The syllabus is meant to guide the students in understanding the real world market situations and how it can be used as a practical goal for decision-making.

Module I - Demand Analysis

Utility: Cardinal and Ordinal approaches - Indifference Curve Approach: Properties of Indifference Curves, Consumer's Equilibrium, Price effect, Derivation of demand curve from PCC. - Consumer's Surplus- Elasticity of demand; Income, Cross and Promotional- Case Studies- Demand Forecasting: meaning , significance and methods- Case Studies.

(15 Lectures)

Module II- Theory of Production

Production function; Short Run and Long Run - Law of Variable Proportions- Iso-quant- Producer's Equilibrium- Returns to Scale- Economies of Scale- Economies of Scope- Case Studies.

(15 Lectures)**Module III Cost Analysis**

A. Concepts: Social and Private costs, Economic and Accounting Costs, Fixed and Variable Costs-Opportunity Cost.

B. Behavior of Cost Curves: Short Run and Long Run.

C. Learning Curve-Producer's Surplus- Case Studies.

(15 Lectures)

SEMESTER- II

Module IV Revenue Concepts:

Total Revenue- Average revenue and Marginal Revenue under Perfect Competition and Monopoly-Relationship between Average Revenue, Marginal Revenue and Elasticity of Demand-Objectives of a Firm: Profit, Sales and Growth Maximization - Break- Even Analysis- Case Studies.

(15 Lectures)

Module V Markets

Equilibrium under Perfect Competition and Monopoly in Long Run - Monopolistic Competition: Features- Oligopoly: Features-Case Studies.

(15 Lectures)

Module VI Pricing Methods

A) Marginal Cost, Full Cost, Discriminatory, Dumping, Multi-Product and Transfer Pricing.

B) Capital Budgeting – Meaning and Importance- Investment Criteria:

Pay Back Period Method, Net Present Value Method, and Internal Rate of Return Method-

Case Studies.

(15 Lectures)

REFERENCES FOR BOTH THE SEMESTERS

1. Principles of Microeconomics- H.L. Ahuja- S. Chand Company Ltd.
2. A course in Micro Economic Theory- David M. Kreps- Prentice Hall of India
3. Modern Micro Economics- A. Koutsoyianms- Mac Millan Press Ltd
4. Priddyck, R. S., and D.L. Rulrifeld, “Microeconomics”, Prentice-Hall of India Ltd
5. Barmol, William J, “Economic Theory and Opertions Analysis”, Prentice Hall of India Pvt. Ltd, New Delhi
6. Advanced Economic Theory- H L Ahuja S. Chand Company Ltd. Latest Edition
7. Micro Economic Theory- M L Jhingan Mac Millan Press Ltd
8. Micro Economic Principles- Mankiw N Gregory- Mac Millan Worth Publishers, New-York