

**Revised Syllabus of Courses of Bachelor of Management Studies
(BMS) Programme at Semester I
with Effect from the Academic Year 2016-2017**

Core Courses (CC)

7. Business Economics - I

Modules at a Glance

| Sr. No. | Modules | No. of Lectures |
|----------------|---|------------------------|
| 1 | Introduction | 10 |
| 2 | Demand Analysis | 10 |
| 3 | Supply and Production Decisions and Cost of Production | 15 |
| 4 | Market structure: Perfect competition and Monopoly and Pricing and Output Decisions under Imperfect Competition | 15 |
| 5 | Pricing Practices | 10 |
| | Total | 60 |

| Sr. No. | Modules / Units |
|---------|--|
| 1 | Introduction |
| | <p>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</p> |
| 2 | Demand Analysis |
| | <p>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 <i>(numerical illustrations on trend analysis and simple linear regression)</i></p> |
| 3 | Supply and Production Decisions and Cost of Production |
| | <p>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. 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 <i>(hypothetical numerical problems to be discussed)</i>, LAC and Learning curve - Break even analysis <i>(with business applications)</i></p> |
| 4 | Market structure: Perfect competition and Monopoly and Pricing and Output Decisions under Imperfect Competition |
| | <p>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 <i>(topics to be taught using case studies from real life examples)</i> Oligopolistic markets: key attributes of oligopoly - Collusive and non collusive oligopoly market - Price rigidity - Cartels and price leadership models <i>(with practical examples)</i></p> |
| 5 | Pricing Practices |
| | <p>Cost oriented pricing methods: cost – plus (full cost) pricing, marginal cost pricing, Mark up pricing, discriminating pricing, multiple – product pricing - transfer pricing <i>(case studies on how pricing methods are used in business world)</i></p> |