

# F.Y.B.COM

# ECONOMICS

SEMESTER - I

PAPER NO : 103

FUNDAMENTALS OF BUSINESS ECONOMICS - I

**Objectives:** The main objective of this paper is to introduce the students of commerce to the basic concepts and tools of microeconomics.

**Outcome:** The students after studying this paper, will get a clear understanding of various basic concepts used in economics. He will also get an understanding of the demand and supply and factors affecting them and how the price is determined in different types of markets.

Unit :1 Basic Concepts and Definitions

**Marshall, Robbins and Samuelsons' definitions of Economics. Positive and Normative Economics. Micro economics and Macro Economics. Utility, Goods and Services. Money and Wealth. Value and Price. Wealth and Welfare. Consumer surplus(Marshall's concept). Meaning of Demand and Supply. Supply and Stock.**

Unit : 2 Demand Analysis and Consumer Behavior

**Demand function-Law of Demand-Determinants of Demand. Elasticity of Demand and its types-price, income and cross elasticity. Types of Demand-Individual Demand and Market Demand, Industry Demand and Firm Demand, Demand for Consumer Goods and Demand for Producers Goods. Demand for Durable and Demand for Perishable Goods.**

Unit : 3 Production, Cost and Revenue Analysis

**Production and Production Function-Short run and Long run Production function(basic ideas only). Transformation Curve (Production Possibility Curve). Iso-Quants and Iso-Cost curves and equilibrium of a firm. Cost analysis-Various concepts of Cost-Total Fixed Cost, Total Variable Cost, Total Cost, Average Fixed Cost, Average Variable Cost, Average Cost and Marginal Cost-Relationship between Average Cost and Marginal Cost- Opportunity Cost. Basic concepts of Revenues-Total Revenue, Marginal Revenue and Average Revenue-Relationship between Average Revenue and Marginal Revenue.**

Unit:4 Markets, Product Pricing & Factor Pricing

**Concept of Perfect Competition, Monopoly and Monopolistic Competition(Meaning and characteristics). Control of Monopoly. Price Discrimination and Dumping. Selling cost and its Impacts. Concepts of Duopoly and Oligopoly-Collusive Oligopoly- Kinky Demand Curve (Price Leadership Model with reference to Oligopoly).**

### **Suggested Readings:**

- **H.L.Ahuja, “Modern Micro Economics”, S. Chand Publication**
- **K.K. Dewett, “Micro economics”, S. Chand Publication**
- **M. C. Vaish, “Micro economics”,**
- **Paul Samuelson, “Economics”**
- **M. L. Sheth, “Micro Economics”**
- **Mishra and Puri, “Principles of Micro Economics”, Himalaya Publication House, 2009**
- **D. M. Mithani, “Modern Micro Economics” , Himalaya Publication House,2006**
- **D. M. Mithani, “Micro Economics” , Himalaya Publication House, 2009**
- **Jhon Canedy, “Micro Economics” , Himalaya Publication House, 2010**
- **Jhingan, “Micro Economics”, Vrinda Publishing**
- **Mari Muthu and D.Bose , “An Introduction to Micro Economics”, , Himalaya Publication House, 2011**
- **K. K. Dewette, “An Introduction to Economics”, S. Chand Publication**
- **K.K. Dewette, “An Introduction to Economics” S. Chand Publication**
- **Robert S. Pindyck, Daniel L. Rubinfeld, “Microeconomics (6th Edition)” Prentice-Hall Series in Economics**

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## ECONOMICS

SEMESTER - II

PAPER NO : 113

FUNDAMENTALS OF BUSINESS ECONOMICS – II

**Objective:** The main objective of this paper is to introduce the students of commerce to the basic concepts and tools of macro economics.

**Outcome:** The student, after studying this paper, will get a clear understanding of various concepts used in macroeconomic. He will be able to understand the importance and relevance of various macroeconomic aggregates used for measuring economic development.

### **Unit : 1 National Income Accounts**

**Concepts of GDP and NDP- Sectoral Composition of National Income - GDP at Factor Price and Constant Prices- Concept of GNP and NNP, Factor Cost and National Income-Per Capita income, Disposable Income and Personal Disposable Income- Measurement of National Income – Difficulties in measuring National Income- Trends in India's GDP and Per capita GDP since Independence- Concept of GDP Deflator(Basic concept only)).**

### **Unit :2 Money and Credit.**

**Meaning and Evolution of Money- Commodity to Fiat Money - Definition of Money- Functions of Money – Demand for Money - Quantity Theory of Money- Fisher's Equation of Exchange-Cambridge Theory. Supply of Money – Determinants of Money Supply- Components of Money Supply- RBI's Approach-M1, M2, M3, M4. High Powered Money - Concepts of Credit- Types of Credit-Instruments of Credit Control-Bank Rate, Repo Rate, Reverse Repo Rate, CRR and SLR(Meaning and their importance).**

### **Unit : 3 Keynesian Economic Theory**

**Say's Law of Market and its criticism by Keynes. Simple Keynes Model of Income Determination. Concepts of Consumption Function, Saving Function and Investment Function. Investment Multiplier–Marginal Efficiency of Capital and factors affecting MEC.**

### **Unit : 4 Business Cycle and Inflation .**

**Concepts of Business cycle – Four phases of Business Cycle – Interest rate –Loan able fund Theory and Liquidity preference theory- Motives for liquidity preference--Transaction Motive , Precaution Motive, Speculative Motive. Factors affecting interest Rate. Inflation--Meaning, Types, Causes, Effects-Inflation and Investment.**

### **Suggested Readings:**

- **H. L. Ahuja, “ Macro Economics” S. Chand Publication**
- **H. L. Ahuja, “Macro Economics Theory and Policy”, S. Chand Publication**
- **D. M. Mithani , “A Course in Macro Economics”, Himalaya Publication House**
- **Mishra and Puri, “Principles of Macro Economics” Himalaya Publishing House**
- **S. M. Mithani, “Macro Economics” Himalaya Publishing House**
- **K. K. Dewett, “Macro Economics” S. Chand Publication.**