

MANGALORE UNIVERSITY
Department of Commerce
M.Com.

CMS402: BUSINESS ECONOMICS

Work load: 3 hours lecture and 2 hours tutorial per week: total 4 credits

Learning Objectives:

- To provide students an insight to advanced concepts of business economics.
- To help students understand various business economics tools for solving business problems in the changing business environment.
- To enable students to integrate micro and macro economic analysis into business decision/ or decision making power.
- Business economics is the application of economic principles and methods to business decision making.
- Business economists play an important role in the firms.

Course Outcomes:

1. Equip the students with knowledge of basic concept, theoretical frameworks & recent developments in the field of business economics.

Unit -1: Business Economics and Decision Making: Nature Significance and Scope of Business Economics, Positive and Normative Economics, Role of Business Economists and Responsibilities, Decision Making under Risk and Uncertainty Situations, Risk and Return Analysis, Business Adventures and Business Behaviour, GDP, Core Economic Concepts– Incremental Principle, Opportunity Cost Principle, Discounting Principles Time Value of Money, Equi-marginal Principle and Strategic Business Planning.

Unit -2: Demand Theory Analysis: Individual and Market Demand Functions: Law of Demand, Determinants of Demand –Shift in Demand and Elasticity of Demand, Meaning and Importance, Price Elasticity, Income Elasticity and Cross Elasticity, Change in Demand, Application of Elasticity in Managerial Decisions, Cost Benefit Analysis, Market Failures.

Unit -3: Production Theory Analysis:- Production Function with one, two and multi variable Inputs; Stages of Production; Economics of Scale, Estimation of Production Function, Production Possibility Curve, Cost Theory and Estimation; Economic Value Analysis; Short and Long Run Cost Functions – Nature, Shape and Inter Relationship , Law of variable Proportions, Law of Return to Scale.

Unit -4: Price Theory Analysis: Price Determination under Different Market Conditions and Pricing Practices, Pricing Power, Characteristics of Different Market Structures – Price Determination and Firm's Equilibrium in Short run and Long run under perfect

Competition, Monopolistic Competition, Oligopoly and Monopoly Pricing Practices – Methods of Price Determination, Price Discrimination, International Price Discrimination, Dumping, Transfer Pricing and Profit Management.

Unit -5: Business Cycles Analysis: Business Cycles Nature and Phases of a Business Cycle, Game Theory, Information Super Highways, Small-world Model, Theories of Business Cycle – Psychological, Profit, Monetary, Innovation, Cobweb, Samuelson and Hicks Theories.

References:

1. Adhikary M. Business Economics, Excel Books, New Delhi.
2. Baumol, William J: Economic Theory and Operations Analysis, Prentice Hall, London.
3. Baya, Micheal R: Managerial Economics and Business Strategy, McGraw Hill Inc. New York.
4. Chopra, O.P: Managerial Economics, Prentice Tata Mc Graw Hill, Delhi
5. Craig Peterson, H and Cris Lewis, W: Managerial Economics: Person Education
6. Dean, Joel: Managerial Economics, Prentice Hall, Delhi.
7. Dholokia, R.H. and A.L. Oza: Macro Economics for Management Students, Oxford University Press, New Delhi.
8. Dominick Salvatore and Rewikesh Srivartava, Managerial Economics, eight edition, 2010, Oxford Press.
9. Dwivedi DN: Managerial Economics, Vikas Publishing House, New Delhi.
10. Eaton, B. Curtis and Diane Faton: Micro Economics, Prentice Hall, New Jersey.
11. Gough, J. and S. Hills: Fundamentals of Managerial Economics, MacMillan London.
12. Haynes, W.W., V.L. Mote and S. Paul: Managerial Economic Analysis and Cases, Prentice Hall India, Delhi.
13. Mithani D.M., Macro –Economics: Himalaya Publishing House.
14. Paul G. Keat and Philip K. Y. Young: Managerial Economics: Economics Tools for Today's Decision Makers: Pearson Education.
15. Peterson, H. Craig and W. Cris Lewis: Managerial Economics, Prentice Hall, Delhi.
16. Salvatore, Dominick: Managerial Economics in a Global Economy, McGraw Hill, New York.
17. Samuelson and William D. Nordhaus: Economics: McGraw Hills.
18. Varian, H.R: International Microeconomics: A Modern Approach, East West Press, New Delhi.
19. Varshney RL and Maheshwari KL: Managerial Economics; Sultan Chand and Sons, New Delhi.