



**Business Economics**  
**Micro Economics**  
**[Core Course]**

<b>Semester: I</b>	<b>Credits: 3</b>	<b>Subject Code: C12004</b>	<b>Lectures: 48</b>
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**Course Outcomes:**

At the end of this course, the learner will be able to:

- Develop an in-depth theoretical knowledge of Business Economics [micro concepts]
- Develop clarity on microeconomic concepts of significance in business decision-making
- Apply linkages between theory and real-life business environment
- Develop analytical and interpretational skills necessary for business decision-making
- Develop an awareness and sensitivity to social implications of business decision-making

<b>Unit 1: Introduction to Business Economics</b>	<b>14</b>
<ul style="list-style-type: none"> <li>• Meaning, importance and Scope of Business Economics</li> <li>• Basic Concepts – Consumer, Household, Firm, Plant and Industry, Business and Business Environment, Market, Market Structures and Equilibrium</li> <li>• Goals of a Firm – Profit Maximization, Sales Maximization, Manager's Utility Maximization, Shareholder's Wealth Maximization, Growth of a Firm, Long Run Survival of a Firm, Satisficing Behaviour, other non-economic goals</li> <li>• Tools for Economic Analysis- Dependent and Independent Variables, Functional Relationship, Schedules, Graphs and Equations</li> </ul>	

<b>Unit 2: Demand Analysis</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Concept, Types and Measurement of Price, Cross and Income Elasticity of Demand</li> <li>• Importance and Determinants of Price Elasticity of Demand</li> <li>• Meaning, Importance and Methods of Demand Forecasting</li> </ul>	

<b>Unit 3: Consumer's Equilibrium</b>	<b>08</b>
<ul style="list-style-type: none"> <li>• Concept, Assumptions and Properties of Indifference Curve</li> <li>• Marginal Rate of Substitution</li> <li>• Concept, Slope and Shifts in the Budget Line</li> <li>• Consumer's Equilibrium</li> </ul>	

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<b>Unit 4: Production Function and Supply Analysis</b>	<b>14</b>
<ul style="list-style-type: none"> <li>• Basic Concepts - Production Function, Short Run and Long Run, Variable Factors and Fixed Factors of Production, Total Product, Average Product and Marginal Product</li> <li>• Law of Variable Proportions and Law of Returns to Scale</li> <li>• Internal and External Economies and Diseconomies of Scale</li> <li>• Economies of Scope</li> <li>• Concept and Types of Elasticity of Supply</li> </ul>	

#12 contact hours for Assignments, Visits, Research, Field Studies, etc.

**Recommended Basic Reading:**

- Ahuja H.L. *Modern Microeconomics: Theory and Applications*. S. Chand and Co.: New Delhi; 2017.
- Ahuja H.L. *Managerial Economics*. S. Chand and Co.: New Delhi; 2008.
- Harrison Barry, Charles Smith and Brinley Davies. *Introductory Economics*. Macmillan Press Ltd.: 1992.
- Mankar V. G. *Business Economics*. Macmillan India: 1999.
- Roy Chowdhury K.C. *Microeconomics*. Tata McGraw Hill: New Delhi; 1991.
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- Lipsey Richard G and Chrystal Alec K. *Economics*. ELBS, Oxford University Press: 2005.
- Dwivedi D.N. *Managerial Economics*. Vikas Publishing House: 2001.
- Haynes Warren W, Mote Vasant L and Samuel Paul. *Managerial Economics*. The Dryden Press: 1970.
- Jack Hirshlifer. *Price Theory and Applications*. Prentice Hall of India, Pvt. Ltd; New Delhi:
- Perloff Jeffery M. *Microeconomics*. Pearson Education: Asia; 2001.
- Saleem Shaikh. *Business Environment*. Pearson Education: 2006.
- Salvatore Dominick. *Theory and Problems of Microeconomic Theory*. Schaum's Outline Series: 2003.
- Salvatore, D.L. *Microeconomics: Theory and Applications*. Oxford Univ. Press; United Kingdom:
- Samuelson P.A., Nordhaus William D. *Economics*. Tata McGraw Hill Publishing Co.: 2005.
- Sloman Sutcliff. *Economics for Business*. Pearson Education.
- Stiglitz, J.E. and C.E. *Principles of Economics*. Walsh Oxford Univ. Press: United Kingdom;

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**Workbooks:**

- Stillwell J.A, Lipsey R.G & Clarke Rosemary "Workbook to accompany – An Introduction to Positive Economics" 6<sup>th</sup> edition
- Robinson Study Guide to accompany "Economics" by Samuelson P.A 10<sup>th</sup> edition

**Websites:**

- <https://mitpress.mit.edu/books/lecturesmicroeconomics>
- <https://www.amazon.com/LecturesMicroeconomics-Questions-Approach-Press/dp/0262038188>
- <https://www.economicsnetwork.ac.uk/teaching/Video%20and%20Audio%20Lectures/Principles%20of%20Microeconomics>
- <https://nptel.ac.in/courses/109104125/>

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**Business Economics**  
**Micro Economics**  
**[Core Course]**

<b>Semester: II</b>	<b>Credits: 3</b>	<b>Subject Code: C22004</b>	<b>Lectures: 48</b>
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**Course Outcomes:**

At the end of this course, the learner will be able to:

- Develop an ability to acquire an in-depth theoretical knowledge of Market Structures and Factors of Production [micro concepts]
- Develop clarity on microeconomic concepts of significance in understanding market dynamics
- Apply linkages between theory of pricing and real-life pricing practices
- Develop analytical and interpretational skills necessary for business decision-making
- Develop an awareness and sensitivity to social implications of business decision-making

<b>Unit 1: Cost and Revenue Analysis</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Basic Concepts - Opportunity Cost, Economic and Accounting Costs, Fixed Cost and Variable Cost, Total Cost, Average Cost and Marginal Cost</li> <li>• Short-run Costs Curves of a Firm- Total Cost, Total Fixed Cost and Total Variable Cost; Average Fixed Cost, Average Variable Cost, Average Total Cost and Marginal Cost Curves</li> <li>• Long run Average Cost Curve of a Firm</li> <li>• Basic Revenue Concepts - Total Revenue, Average Revenue and Marginal Revenue</li> <li>• Revenues under Perfect and Imperfect Competition</li> <li>• Relationship between Revenues and Elasticity of Demand</li> </ul>	

<b>Unit 2: Market Structures</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Comparative Study of Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly</li> <li>• Barriers in Monopoly and Types of Monopoly</li> <li>• Price Discrimination - Concept, and Forms of Price Discrimination, Conditions Necessary for Price Discrimination</li> <li>• Product Differentiation and Selling Cost</li> <li>• Types of Oligopoly</li> </ul>	

<b>Unit 3: Pricing Theory and Practices</b>	<b>12</b>
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<ul style="list-style-type: none"> <li>• Price and Output Determination under Perfect Competition in the short run and long run</li> <li>• Price and Output Determination under Monopoly in the short run and long run</li> <li>• Price and Output Determination under Monopolistic Competition in the short run and long run</li> <li>• Pricing Practices – Price Discrimination, Cost Plus Pricing, Mark-up Pricing, Marginal Cost Pricing, Multiple Product Pricing</li> </ul>	
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<b>Unit 4: Rewards of Factors of Production</b>	<b>12</b>
<ul style="list-style-type: none"> <li>• Basic Concepts – Wages, Real Wages and Nominal Wages</li> <li>• Backward Bending Supply Curve of Labour</li> <li>• Collective Bargaining and Wage Determination</li> <li>• Modern Theory of Rent - Transfer Earnings and Economic Rent, Quasi-rent, Scarcity Rent</li> <li>• Basic Concepts – Interest, Nominal and Real Interest Rate; Gross Interest and Net Interest</li> <li>• Liquidity Preference Theory of Interest</li> <li>• Basic Concepts - Profit, Gross Profit and Net Profit, Features of Profit</li> <li>• Dynamic Theory of Profit</li> <li>• Innovations Theory of Profit</li> <li>• Risk-taking and Uncertainty-bearing Theory of Profit</li> </ul>	

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**Websites:**

- [https://www.economicsonline.co.uk/Business\\_economics/Perfect\\_competition.html](https://www.economicsonline.co.uk/Business_economics/Perfect_competition.html)
- <https://www.youtube.com/watch?v=TTJ4kFX6uRM>
- <https://www.youtube.com/watch?v=oA8kL7OD74o>
- <https://www.economicshelp.org/blog/311/markets/monopolistic-competition/>
- <http://www.economicdiscussion.net/price/factor-pricing-concept-and-theories/3875>
- [https://www.youtube.com/watch?v=66fKCrIe\\_8](https://www.youtube.com/watch?v=66fKCrIe_8)
- <https://www.youtube.com/watch?v=qXmGnQ0WzPM>

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Faculty	Dr. Arwah Madan	<i>Arwah Madan</i> 15/6/20
Faculty	Dr. Meenakshi Wagh	<i>Ms Wagh</i> 15/6/20
Faculty	Mrs. Amruta Basu	<i>Amruta Basu</i> 15/6
Subject Expert (Outside SPPU)	Dr. Ishita Dutt	<i>Ishita Dutt</i> 15/6/20
Subject Expert (Outside SPPU)	Dr. Subhash Patil	<i>Subhash Patil</i> 15/6/20
VC Nominee	Dr. Sailee Belsare	<i>Sailee Belsare</i> 15/06/2020
Industry Expert	Dr. Nishant Upadhyay	
Alumni	Ms. Asha Panicker	<i>Asha Panicker</i> 15/6
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