

VEER NARMAD SOUTH GUJARAT UNIVERSITY

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Business Economics

Effective from July - 2002

Objective - This course is meant to acquaint the students with the principle of Business Economics as are applicable in business.

Course Inputs

Unit I

Introduction :- Basic problems of an economy working of price mechanism.

Unit II

Demand Analysis :- Determinants of demand - types of demand-demand function.

Unit III

Elasticity of demand :- concept and measurement of elasticity of demand- price elasticity, income elasticity and cross elasticity of demand-determinants of elasticity of demand-advertising elasticity of demand.

Unit IV

Demand forecasting :- meaning and factors affecting demand forecasting methods of demand forecasting, survey of buyers intentions, collective opinion, trend projection-demand forecasting of a new product criteria for an ideal method of demand forecasting.

Unit V

Production function - Law of variable proportions - returns to scale internal and external economies and diseconomies of scale.

Unit VI

Cost and Revenue Curves :- Fixed and variable costs - average cost, marginal cost - average revenue and marginal revenue - short run and long run cost curves.

Unit VII

Market Structure :- Definition and characteristics of perfect competition, monopoly, monopolistic competition and oligopoly.

- a) Perfect competition-Equilibrium of firm industry in the short run and long run.
- b) Monopoly-Determinants of Price and output under monopoly, Price discrimination, meaning, types and when possible and profitable.
- c) Monopolistic competition - price and output determination, selling costs.
- d) Oligopoly-Kinky demand curve-price leadership.

Unit VIII

Cost and Profit forecasting :- determination of Break Even Point uses and limitation of Break Even Analysis.

Unit IX

Basic concepts of business economics :- Opportunity cost incremental principle - principle of time perspective - discounting principle - Equi marginal principle.

Unit X

Factor pricing :- Money Wage and real wage - wage differentials in same and different occupations - profit - dynamic theory, innovation, risk and uncertainly theory.

Suggested Readings

- 1 Nells and Parker
The essence of Business Economics, Prentice Hall, New Delhi
- 2 Ferguson P.R.Rothschild R and Ferguson G.J Business Economics
Macmillon Hampshize
- 3 Ahuja H.L.
Business Economics Micro, S. Chand & Co., New Delhi
- 4 Ahuja H.L.
Principle of Micro Economics, S. Chand & Co., New Delhi
- 5 Samuelson and William D. Nordhans Economics, Hill Book Co.
- 6 G.S.Gupta
Managerial Economics, Tata Macgraw Hill

- 7 Joel Dean
Managerial Economics, Prentice House of India Pvt.Ltd, New Delhi
- 8 R.L.Varshney and K.L.Maheshwari
Managerial Economics, S. Chand & Co., New Delhi
- 9 Hagne D.C.
Managerial Economics, Longman
- 10 M.V.Pylee, J.T.Payypilly, K.C.Sankarnarayan
Managerial Economics-An introductory analysis, S.Chand & Co., New Delhi
- 11 Sampat Musherjee
Business and Managerial Economics - 1996 Edition, New Central Book Agency
- 12 Canvery R.Sudha Naik, U.K.Girija and Minakshi R. Managerial Economics, S.Chand & Co., New Delhi
- 13 Dholakia Ravindra and Oza.A.N. Micro economics for managers, Oxford.

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