

BUSINESS ECONOMICS – II

Sem	Programme	Subject Code	Category	Lecture		Theory		Practical	Credit
IV	B.Com	19CAEC 4A	Allied	6 hrs/ week	Total 90 hrs.	6 hrs/ week	Total 90 hrs.	-	5

COURSE OBJECTIVES

- The main objective of this paper is to impart knowledge on the broad concept of Business Economics.
- The concept which helps the students to analyse and gain knowledge on various Business Policies of the Business.

COURSE OUTCOMES:

On the successful completion of the course, students will be able.,

CO Number	CO Statement	Knowledge Level (K1 – K5)
CO1	To understand the Costs concepts with its classification and to acquire practical knowledge on Break even analysis.	K2
CO2	To gain knowledge on market structure and its price, output determination.	K3
CO3	To acquire knowledge about the pricing methods	K2
CO4	To gain knowledge about profit theories in business	K3
CO5	To acquire the practical knowledge about capital budgeting in business	K3

Knowledge Level (KL): K1-Remember; K2-Understand; K3-Apply; K4-Analyse

MAPPING WITH PROGRAMME OUTCOMES

COS	PO1	PO2	PO3	PO4	PO5	PO6
CO1	S	M	S	M	M	M
CO2	M	S	M	M	S	S
CO3	M	M	S	S	M	S
CO4	M	M	S	S	M	M
CO5	S	S	M	M	M	S

S-Strong; M-Medium; L-Low

UNIT - I Cost Concepts and Break- Even Analysis**18Hrs**

Costs: Conceptual difference between Economist and Accountant – Different classification of Costs - Break-Even Analysis: Meaning- Determination of Break-Even Point- Usefulness and Limitations of Break-Even Analysis

UNIT- II Market Structure**18Hrs**

Market Structure: Perfect Competition – Assumption, Price and Output determination. Imperfect Competition- Monopoly- features, types and monopoly power, price and output determination. Price Discrimination- types and Price and output determination. Monopolistic Competition- features, price and output determination. Oligopoly – characteristics, kinds of oligopoly and Paul M. Sweezy's model

UNIT- III Pricing Methods**18Hrs**

Pricing objectives and Pricing Methods- Full Cost Pricing- Target Pricing- Going Rate Pricing- Customary Pricing- Differential Pricing- Specific Pricing Methods- Pricing for a New Product- Pricing over the Lifecycle of a Product- Product Line Pricing- Mark-up & Mark-down Pricing, Pricing by manufacturers and Retailers- Resale Price Maintenance- Dual Pricing.

UNIT- IV Theories of Profit**18Hrs**

Profit and Profit Management- Accounting Profit and Economic Profit- Theories of Profit – Walker's Rent theory, Hawley's Risk theory, Knight's Uncertainty theory, J.B. Clark's Dynamic theory and Schumpeter's Innovation theory.

UNIT- V Capital Budgeting**18Hrs**

Capital Budgeting: Need for Capital Budgeting- Steps involved in the investment decision making process - Forms of Capital Budgeting- Nature and problems of Capital Budgeting – Demand for capital, Supply of capital and Capital rationing.

REFERENCE BOOKS:

S.No	Author	Title	Publisher	Year of publication
1	S. Sankaran	Business Economics	Margham Publications	8 th Edition 2017
2	H.L. Ahuja	Business Economics	S. Chand & Company Ltd	12 th Revised Edition 2016
3	P.L. Mehta	Business Economics	Sulthan Chand & Sons	15 th Edition 2009
4	D.M. Mithani	Business Economics	Himalaya Publishing house	5 th Edition 2017
5	R.L. Varshney & K.L. Maheswari:	Business Economics	S.Chand Chand & Sons	19 th revised and enlarged edition 2018

Web resources:

1. www.tutorialspoint.com/managerial_economics/...
2. www.yourarticlelibrary.com/managerial-economics/...
3. economicsconcepts.com/managerial_economics.htm

TEACHING METHODOLOGY

- Chalk and Board
- Lecture method
- Seminar by individual or Group
- Power point presentation.

Syllabus Designer:

1. Dr. R.Banumathy, Associate Professor and Head, Department of Economics.
2. Dr. M.Jayasudha Assistant Professor, Department of Economics
3. Dr. R. Radjavally, Assistant Professor, Department of Economics.

