



# Tolani College of Commerce (Autonomous)

## तोलानी वाणिज्य महाविद्यालय (स्वायत्त)

**Knowledge is Supreme**

(Sponsored and Managed by Tolani Education Society, Mumbai - 400 021)  
(Recognised Linguistic (Sindhi) Minority Institution, Affiliated to University of Mumbai)

Re-Accredited (3<sup>rd</sup> Cycle) by N.A.A.C. with 'A' Grade (CGPA 3.03)

150-151, SHER-E-PUNJAB SOCIETY,  
GURU GOBIND SINGH ROAD,  
ANDHERI (EAST), MUMBAI-400 093.

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<b>Name of the Department/ Programme</b>	<b>Department of Business Economics 1) Bachelor of Commerce Programme</b>					
<b>Name of the Course</b>	<b>Minor: Business Economics - I</b>					
<b>Semester</b>	<b>I</b>					
<b>Number of Credits</b>	<b>02</b>					
<b>Number of Lectures</b>	<b>30</b>					
<b>Lecture Duration</b>	<b>60 minutes</b>					
<b>Total Marks:</b>	<b>CE</b>	<b>20</b>	<b>SEE</b>	<b>30</b>	<b>Total</b>	<b>50</b>

### Learning Objectives of the Course

<b>Sr.No.</b>	<b>Objectives</b>
LOC1	To provide learners with an overall introduction of economics in dealing with the problems of scarce resources and decision making.
LOC2	To familiarise learners with basic tools of consumer and producer theory, the operation of markets and optimisation in an economic context.
LOC3	To provide conceptual clarity by discussing case studies and numerical problems wherever applicable.

### Learning Outcomes of the Course

<b>Sr. No.</b>	<b>Outcomes</b>
CO1	Understand the nature of Business Economics.
CO2	Analyse the decisions taken by firms and households in the face of scarcity of resources.
CO3	Understand and evaluate the working of market forces
CO4	Describe and calculate and understand the applications of different types of elasticity of demand.
CO5	Compare and contrast production and cost in the short run, and long run.
CO6	Understand how different market structures affect economic decisions making.



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### Semester I

#### **Module I: Introduction to Business Economics (10 lectures)**

Meaning and features of Business Economics- Ten Principles of Economics- Economic Model: Production Possibility Curve (PPC) with respect to scarcity and efficiency (technical, productive, allocative, and social)- Role of Economist as a policy adviser- Why Economists disagree? Differences in scientific judgements and Differences in values- Economics in the Decisions Making Process: Needs, wants and scarce resources- Process of decision making – Home Economics and Bounded Rationality-Human decision making and its impact on business-Business Decision Making with respect to investment, growth and expansion and acquiring and keeping customers- The PESTLE framework-political, economic, social, technological, legal, and environmental.

#### **Module II: Demand and Supply Analysis (10 lectures)**

Meaning of market and competition- The market demand curve- The determinants of market demand- The market supply curve- Determinants of Market Supply- The Market Mechanism: Interaction of demand and supply- Changes in Demand and Supply- Prices and allocation of resources-Price Ceilings and Price Floors. Elasticity of Demand: Meaning, Price Elasticity of Demand, Income Elasticity of Demand, Cross Price Elasticity of Demand, Promotional Elasticity of Demand- Using Elasticities in Managerial Decision Making.

#### **Module III: Production and Cost Analysis (10 lectures)**

Meaning of production and Production function- Total, Average and Marginal Product- The Law of Diminishing Returns- Production Isoquants and their properties-Economic Region of Production- Marginal Rate of Technical Substitution- Isocost Lines-Least Cost Combination of Factors- Returns to Scale- The Innovation Process- Innovation and Global Competitiveness. The Nature of Costs- Types of Costs: Economic Cost, Accounting Cost, Sunk Cost, Private Cost, Social Cost, Recurring Cost, Non-recurring Cost, Incremental Cost, Cash Cost, Book Costs and Life Cycle Costs- Short-run Cost Functions: Fixed and Variable Costs, Average and



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Marginal Costs, Cost Curves and Their Shapes- Long-run Cost Curves: Long-run Cost Curves, Long-run Marginal Cost Curves and Long-Run Average Cost Curve- Plant Size and Economies of Scale and Diseconomies of Scale- Purchasing Economies of Scale-Economies of Scope – Learning or Experience Curves.

### References:

- 1) Christopher Thomas and Charles Maurice: *Managerial Economics-Foundations of Business Analysis and Strategy*, 12<sup>th</sup> Edition, McGraw Hill, 2020, New Delhi.
- 2) Dominick Salvatore and Siddhartha Rastogi: *Managerial Economics-Principles and Worldwide Applications*, Oxford University Press, 8<sup>th</sup> Edition, 2017, New Delhi.
- 3) H L Ahuja: *Business Economics-Microeconomic Analysis*, 13<sup>th</sup> Edition, S. Chand, 2016, New Delhi.
- 4) Ivan Png: *Managerial Economics*, 5<sup>th</sup> Edition, Routledge, 2016, New Delhi.
- 5) Michael R. Bye: *Managerial Economics and Business Strategy*, 4<sup>th</sup> edition, McGraw Hill, 2003.
- 6) N. Gregory Mankiw: *Principles of Economics* Cengage, 6<sup>th</sup> edition, 2017, New Delhi.
- 7) N. Gregory Mankiw, Mark P. Taylor, and Andrew Ashwin: *Business Economics*, 1<sup>st</sup> Edition, 2013, Cengage Learning.
- 8) R. Panneerselvam, P. Sivasankaran and P. Senthilkumar: *Managerial Economics*, 1<sup>st</sup> Edition, Cengage, 2018, New Delhi.
- 9) Robert Pindyck and Daniel Rubinfeld: *Microeconomics*, 8th Edition, Pearson, 2018, New Delhi
- 10) Suma Damodaran: *Managerial Economics*, Oxford University Press, 2<sup>nd</sup> edition, 2010, New Delhi.

### Additional Reading:

#### (A) Newspapers:

- The Economic Times
- The Mint
- The Business Line
- The Times of India
- The Indian Express
- The Hindu

#### (B) Magazines:

- The Economist
- The Economic and Political Weekly
- Business India
- Business World
- Outlook Money



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### Scheme of Evaluation Pattern

**Table 1A: Scheme of Continuous Evaluation (CE)**

### Scheme of Evaluation Pattern

Sub-components	Maximum Marks	Conditions for passing
1) Written assignment of 1000 words involving analysis of events related to the course taken from a newspaper, magazine, journal etc.	5	a) A learner must be present for each of the sub-components. b) The subtotal of all the 3 sub-components must be minimum 08 marks
2) Book review. The book selected must be approved by the teacher. A report of 1000 words must be submitted.	5	
3) MCQ Based Test	10	
Total	20	

**Table 1B: Scheme of Semester End Examination (SEE) Evaluation**  
**Question Paper Pattern for Semester End Examination (SEE)**

**Maximum Marks: 30 Minimum Marks to Pass: 12**

**Duration: 1 hour.**

Note: All questions are compulsory. Each question has an internal choice.

Question Number	Nature of Questions	Maximum Marks	From
1)	<b>Attempt any 1 question out of the following 3:</b>	10 marks	Module I
	a) Full length question		
	b) Two Notes (5 Marks Each)		
	c) Application oriented		
2)	<b>Attempt any 1 question out of the following 3:</b>	10 marks	Module II
	d) Full length question		
	e) Two Notes (5 Marks Each)		
	f) Application oriented		
3)	<b>Attempt any 1 question out of the following 3:</b>	10 marks	Module III
	d) Full length question		
	e) Two Notes (5 Marks Each)		
	f) Application oriented		