

Course 2B: Business Economics

Learning Outcomes:

At the end of the course, the student will be able to;

- Describe the nature of economics in dealing with the issues of scarcity of resources.
- Analyze supply and demand analysis and its impact on consumer behaviour.
- Evaluate the factors, such as production and costs affecting firms' behaviour.
- Recognize market failure and the role of government in dealing with those failures.
- Use economic analysis to evaluate controversial issues and policies.
- Apply economic models for managerial problems, identify their relationships, and formulate the decision making tools to be applied for business.

Syllabus

Unit-I: Introduction: Meaning and Definitions of Business Economics - Nature and Scope of Business Economics - Micro and Macro Economics and their Interface.

Unit-II: Demand Analysis: Meaning and Definition of Demand – Determinants to Demand

– Demand Function - Law of Demand – Demand Curve – Exceptions to Law of Demand - Elasticity of Demand – Measurements of Price Elasticity of Demand

Unit – III: Production, Cost and Revenue Analysis: Concept of Production Function – Law of Variable Proportion - Law of Returns to Scale - Classification of Costs - Break Even Analysis - Advantages

Unit-IV: Market Structure: Concept of Market – Classification of Markets - Perfect Competition – Characteristics – Equilibrium Price - Monopoly – Characteristics – Equilibrium Under Monopoly.

Unit-V: National Income:Meaning – Definition – Measurements of National Income - Concepts of National Income -Components of National Income-Problems in Measuring National Income