

**BUSINESS ECONOMICS
(IMB– 102)**

- 1. Introduction to Business Economics :** Basic Economic concepts and precepts; Goods, Services, utility, value, wealth, marginalism, time perspective, stock and flow variables, equilibrium, Basic principles of Economics, Basic problems of an economy.
- 2. Demand and Supply Analysis :** Meaning of demand, law of demand, Determinants of Demand, Increase and Decrease in demand, Exceptions to the law of demand, Individual and Market demand; Meaning of supply, Law of supply, Increase and Decrease in Supply, Determinants of supply, Exceptions to the Law of supply, Equilibrium; Elasticity concept ; Perfect elasticity, Perfect Inelasticity, Relative Elasticity, Relative Inelasticity; Elasticity of demand : Price, Income, Cross and Promotional elasticity of demand; Elasticity of supply : Price, Income and Cross elasticity of Supply; Elasticity and Implications for total Revenue determinants of Elasticity, simple numerical problems to be solved.
- 3. Production and cost Analysis :** What are costs; Costs as opportunity costs, Accounting vs Economic costs, Accounting vs Economic profit; Production functions in the short run and in the long run producer's equilibrium; Types of costs : Variable and fixed costs, short run and long run costs, Average cost, Marginal Cost; Diminishing Returns and Marginal cost; Production and costs in the long run; Economics and Dis-economics of Scale; Revenue concepts, total revenue, Average revenue and Marginal Revenue.
- 4. Market structure and Business Decisions:** Distinguishing characteristics between market forms; Perfect competition; Monopoly; Monopolistic competition; Oligopoly; Short run decisions of a firm to shut down; Long run decision of the firm to exit; Practical application of different market forms.
- 5. Theory of Distribution :** Marginal productivity theory; Theory of wages; Concepts and theories of rent; Concepts and theories of Interest; Concepts and theories of profit

Books :

1. Business Economics – D.M. Mithani – Himalaya Publication.
2. Modern Micro-Economics : H.L. Aahuja – S.Chand