B.A. (HONS.) BUSINESS ECONOMICS

Category-I

DSC - 1: Microeconomics – I

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any
		L	T	P		
Microeconomics-I	4	3	1	0	Class XII Pass	NIL

DSC - 1: Microeconomics – I

Objectives

This is the first course in a group of two that together cover the basic concepts of Microeconomics. This course covers the areas of consumer demand, production, cost and different types of commodity markets. It introduces the concept of economics, market equilibrium, elasticity, and consumer and producer behaviour at the basic level. It is a core foundation paper giving the students a micro aspect of different economic activities.

Learning Outcomes

- To analyse the market behaviour by understanding the basic concepts of microeconomics.
- To provide students with an understanding of the standard theoretical analysis of consumer and producer behaviour.
- To know the applications of theory of production and cost structure

Course Structure

Unit 1: Basic Concepts (8 hours)

Scope and method of microeconomics; Scarcity and Choice; Positive and normative economics; Production possibility frontier, concepts of opportunity cost, rate of growth; Demand, Supply and Market equilibrium; Market Failure: Public goods and externalities; types of externalities – production and consumption externalities, asymmetric information and moral hazard: principal agent problem.

Unit 2: Theory of Consumer Behaviour (20 hours)

Elasticity: Price elasticity of demand, price elasticity of supply, cross elasticity and income elasticity of demand; Preference; utility; budget constraint; Cardinal theory & Ordinal theory: Budget sets and Preferences under different situations; Utility; Indifference curves: Consumer equilibrium; utility maximization; Engels curve, Derivation of demand curve, Income and substitution effects: Hicks and Slutsky equation; inferior, normal and Giffen goods Applications of indifference curves to other economic problems; Revealed preference theory; revealed preference: weak axiom, compensated law of demand; consumer surplus, equivalent variation and compensating variation, WARP, SARP.

Unit 3: Choice under Uncertainty (10 hours)

Choice under uncertainty – Comparative statics, utility function and expected utility, measures of risk, risk aversion and risk preference; intertemporal choice: savings and borrowing; Duality in consumption.

Unit 4: Technology, Production and Cost (30 hours)

Technology; isoquants; production functions with one and more variable inputs; returns to scale; Law of variable proportion, total, average and marginal product, marginal rate of technical substitution, iso-cost line and firm‘s equilibrium, elasticity of substitution; cost minimization; expansion path, short run and long run costs; various cost curves in the short run and long run and its relation; economies of scale; increasing and decreasing cost industries; envelope curve; economies of scale. Prices as parameters: Firm equilibrium and profit; short and long-run supply function; taxes and subsidies.

References

Essential

1. McConnell et al. (2021). Microeconomics. McGraw-Hill Education.
2. Varian, H.R. (2020). Intermediate Microeconomics: A modern approach. W. W. Norton.
3. Bernheim, B. and Whinston, M. (2009). Microeconomics. Tata McGraw- Hill.

Additional

1. Hall, Robert E. and Lieberman, Marc (2009). Microeconomics - Principles and Applications. South Western Educational Publishing.
2. Snyder, C., Nicholson, W. (2010). Fundamentals of Microeconomics. Cengage Learning.
3. Pindyck, Robert, Rubinfeld, Daniel (2017). Microeconomics (Eighth Edition). Pearson

Teaching - Learning Process

3 Lectures and 1 tutorial each week.

Assignments, Term Paper, Presentations, Project, Classroom discussions

Assessment Method

Total Marks: 100

Practical: 0

Internal Assessment: 25 Marks

End Semester Exam: Duration: 3 Hours & Maximum Marks: 75

Keywords

Demand, Supply, Elasticity, Market failure, Externalities, Consumer Preference, Production, Cost

DSC - 2: Accounting for Managers

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any
		L	T	P		
Accounting for Managers	4	3	1	0	Class XII Pass	NIL

DSC - 2: Accounting for Managers

Course Objectives

The course imparts knowledge of accounting principles particularly in the context of the preparation of financial statements and cost information of a business entity. The course concerns analysis and interpretation of these statements and their applications to managerial decision- making.

Learning Outcomes

· To understand the process of financial, cost and management accounting.

· To make a critical analysis of the financial statements of a business entity.

· To identify the steps for rational managerial decision making with respect to financial and cost aspects of a business.

Course Structure

Unit 1: Financial Accounting (16 hours)

Meaning of Financial Accounting, Functions and Limitations of Financial Accounting, Users of Financial Accounting Information, Basis of Accounting: Cash and Accrual. Principles of Financial Accounting (GAAP), Overview of International Financial Reporting Standards (IFRS) and Ind AS.

Overview of Process of Financial Accounting: Journalizing, Ledger Posting and Preparation of Trial Balance.

Preparation of final Accounts (with adjustments) of a Sole Proprietor: Trading and Profit and Loss Account and Balance Sheet.

Understanding the Financial Statements of a Joint Stock Company: Format of Income Statement and Position Statement as per revised schedule VI of Companies Act, 2013.

Unit 2: Analysis and Interpretation of Financial Statements (12 hours)

Financial Statements: Meaning and types, importance and limitations of Financial Analysis

Techniques of Analysis: Cash Flow Statement (Indirect Method as per Revised AS 3): Preparation, Utility and Limitations.

Ratio Analysis with emphasis on the purpose and interpretation of the ratios: Liquidity, Turnover, Profitability and Solvency Ratios. Advantages and Limitations of Ratio Analysis.

Unit 3: Cost and Management Accounting (20 hours)

Cost and Management Accounting: Meaning, Functions, Utility and Limitations, Financial Accounting vs Cost Accounting, Financial Accounting vs Management Accounting, Tools of Management Accounting, Methods of Costing, Techniques of Costing, Basic Cost Concepts, Classification of Costs, Absorption Vs Marginal Costing.

Unit Costing: Preparation of Cost Sheet and computation of profits.

Cost Volume Profit Analysis, Break-even Analysis, Margin of Safety.

Managerial Decisions involving Alternate Choices: fixing the selling price, exploring new markets, make or buy decision, product/ sales mix decision (with and without key factor), shut down or continue.

Unit 4: Planning and Control (12 hours)

Meaning of Standard Costing, process of determination of Standard Costs.

Meaning of Budget and Budgetary Control, Benefits and Limitations of Budgetary Control, Classification of Budgets, Preparation of Master Budget, Fixed and Flexible Budgets, Difference between Standard and Budgeted Costs.

Variance Analysis: Cost Variances: problems related to Material and Labour Variances.

References:

Essential

1. Arora, M.N. Accounting For Management. Himalaya Publishing House
2. Lal, J. Accounting For Management. Himalaya Publishing House (P) Ltd.
3. Maheshwari, S.N. Accounting for Management. Vikas Publishing House.
4. Sahoo, B.P. Accounting for Managers. Wisdom Publications.

Additional

1. Gupta, R.L. Introductory Corporate Accounting. Sultan Chand & Sons.
2. Horngren, C.T., Sundem,G.L., Burgstahler, D. Schatzberg, J.O. Introduction to Management Accounting. Pearson.
3. Monga, J.R. Financial Accounting Concepts and Applications. Mayur Paperbacks.

4. Monga, J.R. Basic Corporate Accounting. Mayur Paperback.
5. Rustagi, R.P. Fundamentals of Management Accounting. Taxmann.
6. Singh, S. Management Accounting. PHl Learning
7. Stice, J. & Stice, E.K. Financial Accounting Reporting and Analysis. Cengage Learning

Teaching - Learning Process

3 Lectures and 1 tutorial each week.

Emphasis on interpretation and applications of accounting methods and techniques for taking managerial decisions. Assignments, Term Paper, Presentations, Project, Classroom discussions

Assessment Method

Total Marks: 100

Practical: 0

Internal Assessment: 25

End Semester Exam: Duration: 3 Hours & Maximum Marks: 75

Key Words

Financial Accounting, Final Accounts, Management Accounting, Cost Accounting, Cost Sheet, Cost Volume Profit Analysis, Variance Analysis.

DSC - 3: Mathematics for Business Economics – I

Course Title	Total Credits	Components			Eligibility Criteria	Prerequisite if any
		L	T	P		
Mathematics for Business Economics-I	4	3	0	1	Class XII Pass	NIL

DSC - 3: Mathematics for Business Economics - I

Course Objectives

The objective of this course is to provide instruction on basic mathematics that enables the study of economic theory and business applications at the undergraduate level. This shall be required for the teaching of the courses on microeconomic theory, macroeconomic theory, statistics, and econometrics set out in this syllabus. This course introduces mathematical techniques that will be new to most students through examples of their application to economic concepts. The economic and business models are a means for illustrating the method of applying mathematical techniques to economic theory and business applications in general. Mathematics has become the language of

modern analytical economics and it quantifies the relationship between economic variables and among economic actors.

Learning Outcomes

- To build the mathematical base necessary for other courses and to understand the basic functional forms used in economic analysis.
- To develop the mathematical knowledge required in business decision-making and to study the mathematics in which economic theories are expressed.
- To make and refute arguments by developing mathematical understanding.

Course Structure

Unit 1: Introduction (9 hours)

Algebra concepts, number systems, inequalities, mathematical logic, proof techniques; sets and set operations; functions and their properties.

Unit 2: Univariate Analysis (16 hours)

Curves and graphs; elementary functions: linear, quadratic, polynomial, power, exponential, logarithmic; sequences and series: convergence, algebraic properties and applications; Continuous functions: characterisations, properties with respect to various operations and applications; Differentiable functions: characterisations, properties with respect to various operations and applications; Second and higher order derivatives: properties and applications. Geometric properties of functions: convex functions, their characterisations and applications; local and global optima: geometric and calculus-based characterisations, and applications.

Unit 3: Linear Algebra (12 hours)

Linear Algebra: Vector spaces: algebraic and geometric properties, scalar products, norms, orthogonality; linear transformations: properties, matrix representations and elementary operations; systems of linear equations: properties of their solution sets; determinants: characterization, properties and applications. Eigenvalues and eigenvectors, diagonalization, Spectral Theorem.

Unit 4: Integration (8 hours)

Integrals: indefinite and definite. Methods of integration. Economic applications.

Readings

Essential

1. Sydsaeter, K., Hammond, P. (2002). Mathematics for Economic Analysis. Pearson Education.

Additional

1. Chiang, Alpha C., and Wainwright, K.(2005). Fundamental Methods of Mathematical Economics. Boston, Mass: McGraw-Hill/Irwin.

2. Hoy, Michael, Livernois John, McKenna Chris, Ray Rees, and Thanasis Stengos. (©2011) Mathematics for Economics. Cambridge, Mass. : MIT Press
3. Lay, David C., Judi J. McDonald, Steven R. Lay.(2022). Linear Algebra and Its Applications. Pearson.

Practical : 30 Hours

Teaching - Learning Process

3 Lectures and 1 practical each week.

Assignments, Tests, Presentations, Classroom discussions.

Spreadsheet Software for logical and other functions. Problem solving.

Assessment Methods

Total Marks: 100

Practical: 25

Internal Assessment: 25 Marks

End Semester Exam: Duration: 3 Hours & Maximum Marks: 50

Key Words

Set theory, Univariate, Limits, Continuity, Optimisation, Calculus, Differentiation, Concavity, Convexity, Optimisation, Spreadsheet

B.A. Honours Business Economics
Generic Elective Courses
GE-1: Principles of Microeconomics

Course Title and Code	Credits	Credit distribution of the course			Eligibility Criteria	Pre-requisite of the course
		Lecture	Tutorial	Practical/Practice		
Principles of Microeconomics	**4**	**3**	**1**	**0**	**Class XII**	**None**

Learning Objectives

This course aims to:
(i) develop a theoretical understanding of strategic behaviour of economic agents and functioning of a market economy through demand and supply
(ii) offer understanding of the basic principles of micro economics like problem of scarcity and choice, elasticity, optimisation of resources
(iii) introduce students with concepts of consumer theory, production and cost, analysis of individual choices
(iv) equilibrium outcomes and how they are determined by changing market and social conditions
(v) impart sufficient examples based on real economy from both local and global perspective.
(vi) offer sound knowledge and skill to use the managerial economics concepts and techniques for effective management planning, evaluating performance and making decisions.

Learning Outcomes
By studying this course, students will be able to:
(i) to assess the economic analysis method, with reference to cost-benefit analysis of private and public actions.
(ii) compare and contrast production and cost in short run and long run
(iii) to identify and evaluate various models of different markets, and the price and output decisions for maximizing profit
(iv) understand the links between household and firm behavior and the economic models of demand.
(v) use the microeconomic theory and principles to current issues and evaluate related public policy initiatives and response

Unit I: - Introductory concepts and methods **[8 hours]**

Scope of Economics, Three principles: optimization, equilibrium and evidence. Markets, Demand and supply curves: individual and aggregate and shifts.

Unit: II : Foundations of Microeconomics **[12 hours]**

Preferences, price and income changes and the demand curve; consumer surplus and elasticities.
Production, cost curves and revenue curves. Supply curve and its elasticity; long and the short run; producer surplus. Competitive equilibrium, entry and exit; economic and accounting profit.
Perfect competition and pareto efficiency; resource allocation; deadweight loss; equity and efficiency.

Unit III: Trade, Externalities and Factor Markets **[12 hours]**

Production possibility curve and opportunity cost. Basis of trade: absolute and comparative advantage. Trade between states and between countries. Arguments against free trade.
Externalities positive and negative; private solutions and government solutions. Public goods and common goods.
Markets for factors of production; labour, physical capital and land. The supply of labour and wage inequality.

Unit IV : Market Structure **[13 hours]**

Sources of market power. The monopolist: revenue curves, optimal quantity and price. Price discrimination and government policy towards monopoly.
Oligopoly models with homogenous and non-homogenous products. Monopolistic competition: short run and long run equilibrium.