

**B Com I Revised Syllabus Effective from June 2017 – 18
Semester 1**

Business Economics (Compulsory) Paper 1

Theory of Consumer Behaviour and Demand

Marks 100

Credits 4

Computer Code..145105

Objectives

To familiarise the students with Consumer Behaviour and Demand Analysis

To familiarise students with Forecasting of Demand and Elasticity of Demand

Assessment *External 75 Marks, Internal 25 Marks.*

Unit No	Topic	Weight %	Lectures	Credits
1	<p>Basic Concepts</p> <p><i>Micro Economics: Meaning, Importance, Scope and Uses ; Need, Want, and Scarcity</i></p> <p><i>Economic System : Production - What to Produce?, How to Produce?, For whom to Produce?; Production Possibility Frontier for Optimum Resource Allocation; Allocative Efficiency;</i></p> <p><i>Pricing : Introduction to Price Determination and Functions of Prices</i></p> <p><i>Partial and General Equilibrium</i></p> <p><i>Introduction to different approaches - Welfare, Scarcity, Well being, and Capabilities, approaches</i></p>	10	6	0.4
2	<p>Analysis of Consumer Behaviour – Indifference Curves Technique</p> <p><i>Concept of Cardinal and Ordinal Utility; Scale of Preference;</i></p> <p><i>Meaning of Indifference Curves, Indifference Map, Marginal Rate of Substitution, Characteristics of Indifference Curves;</i></p> <p><i>Special Types of Indifference Curves;</i></p> <p><i>Budget Line or Price Line; Consumer’s Equilibrium using Indifference Curve Technique.</i></p>	50	30	2

	<p><i>Income Effect for Normal goods only, (Income Consumption Curve) Giffen's Goods(concept only)</i></p> <p><i>Price Effect (Price Consumption Curve);</i></p> <p><i>Substitution Effect;</i></p> <p><i>Splitting up the Price Effect into Income Effect and Substitution Effect.</i></p> <p><i>Derivation of Demand Curve from Price Consumption Curve.</i></p>			
3	<p><i>Advanced Topics in Consumer Demand Theory (Brief Explanation of topics)</i></p> <p><i>Revealed Preference Hypothesis by Prof Samuelson</i></p> <p><i>New Approach to consumer theory - The Demand for Characteristics</i></p> <p><i>Index Numbers and Changes in Standard of Living</i></p>	10	6	0.4
4	<p><i>Elasticity of Demand</i></p> <p><i>Definition and concept of Elasticity, Elasticity of Demand;</i></p> <p><i>Different types of Elasticity of Demand – Price, Income, Cross Elasticity of Demand and Nature of Goods;</i></p> <p><i>Methods of Measurement of Elasticity of Demand (Point Elasticity Method, Total Outlay Method, Arch Elasticity);</i></p> <p><i>Determinants of Elasticity of Demand.</i></p>	15	9	0.6
5	<p><i>Demand Forecasting</i></p> <p><i>Meaning; Types of Demand Forecasting;</i></p> <p><i>Importance of Demand Forecasting, Methods of Demand Forecasting</i></p> <p><i>Forecasting Demand for New Products;</i></p> <p><i>Characteristics of Good Demand Forecasting.</i></p>	15	9	0.6
1 to 5	Total	100	60	4

Suggested Readings

- Ahuja H.,L., (2017) *Advanced Economic Theory : Microeconomic Analysis, 21st Edition, S. Chand & Co.Pvt. Ltd., New Delhi*
- Samuelson Paul, Nordhaus William (2010) *Economics (Special Indian Edition, Tata McGraw Hills, New Delhi*
- Mulki, Augustine, Karkera, (2016) *Business Economics Paper I, Chetana Publications, Mumbai*
- Salvatore Dominick (Fourth Edition) *Micro Economics Theory and Applications*
- Jhingan, M. L., 1986 *Micro Economic Theory, Konark Publishers Pvt. Ltd., N.Delhi*
- Seth, M. L., 1996 *Micro Economics, Lakshmi Narain Agarwal, Agra*

- *Lipsey, R.G., 1987 An introduction to Positive Economics, Butler & Tenner Ltd.*
- *Stonier, A. W., 1994 A Textbook of Economic Theory, ELBS*
- *Dewett, K. K., 1984 Micro Economics and Price Theory : Value Distribution and Welfare Economics, Shyamlal Charitable Trust, N. Delhi*
- *Dr. Atmanand, Managerial Economics, Excel Books,1997*

Internal Assessment Total 25 Marks

15 Marks - Conventional Test i.e., Summative Assessment

10 Marks - Projects / Assignment

Project or Assignment work of Marks 10 can be focused on developing Employability Skills through use of IT, internet to find information and to develop Presentation Skills.

In order to develop these skills consumer surveys (students can be given questionnaires to conduct a consumer survey) or an assignment on analysis of demand for any consumer product can be given to the students

External Assessment Marks 75

Attempt any 5 Questions from Q. 1 to Q.7,

Q. 7 shall be Short Notes, with one question from each of the Units I to IV.