

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

***Business Economics (Compulsory) Paper 2
Computer code 245205.***

Theory of Production, Costs and Competitive Markets

Marks 100

Credits 4

Objectives

- *To familiarize the students with Producer's Behaviour and analysis of Costs and Revenue*
- *To familiarize students with functioning of different competitive markets*

Assessment

External: 75 Marks, Internal: 25 Marks.

<i>Unit No</i>	<i>Topics</i>	<i>Weight %</i>	<i>No. of Lectures</i>	<i>Credits</i>
<i>I</i>	<p><i>A. Theory of Production Function</i> <i>Meaning of production function, meaning of short and long run, production function (Linear, Non-Linear), Law of Variable Proportions; long run production function, Law of Returns to Scale; Economies and Diseconomies of large scale production - Internal, External.</i></p> <p><i>B. Cost Analysis</i> <i>Social and Private Costs (Concepts only), Economics and Accounting Costs, Fixed and Variable Costs, Opportunity Cost</i></p> <p><i>Behavior of Cost Curves in Short Run and Long Run (basic calculations of different types of costs to be taught)</i> <i>Learning Curve and Producer's Surplus(concept only)</i></p> <p><i>C. Revenue Concepts</i> <i>Meaning of revenue, Average revenue, marginal revenue and total revenue under perfect competition and imperfect competition. Objectives of a firm, break-even point, concept of firm, industry, group and equilibrium.</i></p>	<i>30</i>	<i>18</i>	<i>1.2</i>

II	<p>Perfect Competition</p> <p>Meaning, features, equilibrium in the short and long run.</p> <p>Monopoly</p> <p>Meaning, features, equilibrium of monopoly firm in the short and long run, meaning of discriminating monopoly, Rationale for price discrimination under Monopoly, Equilibrium of a Monopoly firm using Dumping.</p>	25	15	1
III	<p>Monopolistic Competition:</p> <p>Meaning, features, equilibrium of firm and group in the short and long run.</p> <p>Oligopoly</p> <p>Meaning, features, equilibrium with kinked demand curve</p>	25	15	1
IV	<p>Pricing Methods</p> <p>Meaning and objectives of Pricing Methods</p> <p>Methods :</p> <ul style="list-style-type: none"> • Marginal Cost pricing • Full Cost Pricing • Transfer Pricing • Multi-Product Pricing 	20	12	0.8
I to IV	Total	100	60	4

Suggested Reading

1. Ahuja H.,L., (2017) *Advanced Economic Theory : Microeconomic Analysis, 21st Edition, S. Chand & Co.Pvt. Ltd., New Delhi.*
2. Samuelson Paul, Nordhaus William (2010) *Economics (Special Indian Edition, Tata McGraw Hills, New Delhi.*
3. Dominick Salvatore (2009) *Principles of Micro Economics, Oxford University Press, London.*
4. Jingham, M.L., (1986) *Micro Economic Theory, Konark Publishers Pvt. Ltd., New Delhi.*
5. Lipsey, R.G., (1995) *An introduction to Positive Economics, Oxford University Press, UK.*
6. Stonier, A. W., (1984) *A Textbook of Economic Theory, ELBS.*
7. Shastri Rahul (2000) *Micro Economics, Universities Press (India) Limited, Distributed by Orient Longman Limited, Hyderabad.*
8. Dr. Gupta, G. S., (1990) *Managerial Economics, Tata McGraw Hill, New Delhi.*
9. Dr. Atmanand, (1997) *Managerial Economics, Excel Books, New Delhi.*

10. Harvey J, Johnson M K, (1989, 5th edition) *Modern Economics: Study Guide and Workbook*, ELBS/Macmillan, Low Priced Edition, London.

Case Studies and relevant examples must be used when teaching this syllabus.

Internal Assessment Total 25 Marks

15 Marks - Conventional Test i.e. Summative Assessment

10 Marks - Projects / Assignment

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

Data collection and basic tabulation of prices for any consumer product to identify the type of competitive market for the product, may be given to students' as project work

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.