

CLNL 1014	<b>Business Economics-I</b>	L	T	P	C
<b>Version 1.0</b>		3			3
<b>Pre-requisites/Exposure</b>					
<b>Co-requisites</b>					

### Course Objectives

1. To familiarize the students with the basic concept of microeconomics.
2. To make student understand the demand and supply analysis in business applications
3. To familiarise students with the production and cost structure under different stages of production.
4. To understand the pricing and output decisions under various market structure.
5. To help students understand and apply the various decision tools to understand the market structure.

### Course Outcomes

On completion of this course, the students will be able to:

- CO1. To understand the concepts of cost, nature of production and its relationship to Business operations.
- CO2. To apply marginal analysis to the “firm” under different market conditions.
- CO3. To analyse the causes and consequences of different market conditions.
- CO4. To integrate the concept of price and output decisions of firms under various market structure.

### Catalog Description

The objective of this course is to impart the knowledge of economics as a subject and its importance while business. The business decisions are made scientifically on the basis of all available information. So understanding and interpreting basic economic concepts/variables for e.g. demand and supply functions, forecasting demand, productions, costs will make them aware of various operations carried in business.

After imparting knowledge of these concepts, they would be better equipped to understand various market structures, understanding of different pricing techniques that will be introduced in the class. These concepts will help them to understand day-to-day business decisions being taking by different firms (in different industries) in lieu of consumer behaviour in economic, social and to an extent in ethical manner.

### Course Content

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### **Unit I: Introduction to Economics & Business Economics 4 lecture hours**

Introduction to Economics, Definition of Economics , Branches of Economics , Meaning of Business Economics, Nature, Scope & Objective of Business Economics

### **Unit II: Theory of Demand & Supply 4 lecture hours**

Meaning of Demand & Supply, The demand & Supply Schedule, Demand Function & Supply function, Law of Demand & Supply Individual and Market Demand & Supply  
Determinants of Demand & Supply, Demand & Supply Curve, Equilibrium with supply & Demand Curve, Demand & Supply Shifts

Effects of a shift in Supply or Demand, Interpreting Changes in Price & Quantity, Types of Elasticity of Demand & Supply, Calculating Elasticity, Measurement of Elasticity, Degree of Elasticity, Consumer Equilibrium – Utility Analysis, Consumer Equilibrium – Indifference Curve Analysis,

### **Unit III: Theory of production and cost 4 lecture hours.**

Basic Concept of production, The Production function, Factors of Production, Total Average & Marginal product, Short & Long Run Production Function, Law of Variable proportion, Law of Return to Scale, Law of diminishing Marginal product, Expansion path, Concept of cost and Total, Marginal & Average Cost, Short Run & Long Run Cost, Relation Ship Between Marginal & Average cost

### **Unit IV: Market structure. 4 lecture hours.**

Market Structure: Meaning & Characteristics of Perfect Competition, Price & output Determination under perfect Competitive Market, Short Run & Long Run Equilibrium, monopoly Definition of Imperfect Competition Basic Concept of Monopoly, Features of Monopoly Equilibrium under Monopoly Short & Long run, Concept of Monopolistic Competition Features of Monopolistic Competition

### **Reference Books**

1. Managerial Economics, Geetika, Piyali Ghosh, Purba Roy Choudhury
2. Principle of Microeconomics, Gregory Mankiw, Cenagage Learning Publications
3. Economics, Samuleson and Nordhaus, TMH Publishers Ltd. New Delhi
4. Modern Microeconomics, Koutsoyannis, Machmillan India Ltd. New Dlehi

**Modes of Evaluation: Quiz/Assignment/ presentation/ extempore/ Written Examination**

**Examination Scheme:**

Components	Mid-Term Exam	IA			ESE
		Assignment	Class Test	Presentation	
Weightage (%)	20	10	10	10	50

**Relationship between the Course Outcomes (COs) and Intended Student Learning Outcomes (ISLOs) or PO's**

Mapping between COs and Intended Student Learning Outcomes (ISLOs)		
	Course Outcomes (COs)	Mapped PO's
CO1	To understand the concepts of cost, nature of production and its relationship to Business operations.	PO1, PO 2, PO 3, PO 4, PO 5, PO 6, PO 7, PO 8, PO 9, PO 10
CO2	To apply marginal analysis to the “firm” under different market conditions.	PO1 PO 3, PO 4, PO 5, PO 6, PO 7, PO 8, PO 9, PO 10,11,12
CO3	To analyse the causes and consequences of different market conditions.	PO1, PO 2, PO 3, PO 5, PO 6, PO 7, PO 8, PO 9, PO 10
CO4	To integrate the concept of price and output decisions of firms under various market structure.	PO1, PO 2, PO 3, PO 4, PO 5, PO 7, PO 8, PO 9, PO 10, 11, 12

<b>Course Outcomes</b>	<b>CO 1</b>	<b>CO 2</b>	<b>CO 3</b>	<b>CO 4</b>
<b>PO 1</b>	3	3	3	2
<b>PO 2</b>	3	3	3	2
<b>PO 3</b>	3	3	3	2
<b>PO 4</b>	3	1	1	2
<b>PO 5</b>	2	1	1	1
<b>PO 6</b>	2	2	2	2
<b>PO 7</b>	3	2	1	2
<b>PO 8</b>	3	3	3	3
<b>PO 9</b>	1	1	1	1
<b>PO 10</b>	2	2	2	2
<b>PO 10</b>	3	1	1	2
<b>PO 10</b>	2	1	1	1


<b>BBCG 106</b>			Students will demonstrate strong conceptual knowledge of international business	Students will demonstrate effective oral and written communication skills in the professional context	Students will be able to work effectively in team building capabilities	Students will develop critical thinking and problem-solving skills applicable to business and management practice	Students will be able to describe the global environment of business	Student will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the international business	Students will be able to apply decision support tools to business decision making.	Student will be able to apply knowledge of business concepts and function in an integrated manner	Students will demonstrate conceptual domain knowledge of international business	Students will apply decision support tools to decision making in international business	Students will apply conceptual knowledge of Foreign Trade in an integrated manner.	Students will demonstrate employable and deployable skills for appropriate roles in management.
	<b>International Business</b>	ISLO /PO1	ISLO /PO 2	ISLO /PO 3	ISLO /PO 4	ISLO /PO 5	ISLO /PO 6	ISLO /PO 7	ISLO /PO 8	ISLO /PO 9	ISLO /PO 10	ISLO /PO 10	ISLO /PO 10	
	CO	3	3	3	2	1	2	2	3	1	2	3	1	

1=weakly mapped

2= moderately mapped

3=strongly mapped

## Model Question Paper

<b>Name:</b> <b>Enrolment No:</b>	
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**Course: CLNL1014 – Business Economics-I**

**Programme: B.Com. LLB(Hon) Taxation Laws**

**Semester: I**

**Time: 03 hrs.** **Max. Marks:100**

**Instructions:**  
**Section A** is compulsory (each carrying 2 marks); any **Four Questions** from **Section B** (each carrying 5 marks). Any **Two Questions** from **Section C** is Compulsory (carrying 15marks). **Section D** is compulsory (each carrying 15 marks);

**Section A ( This section is compulsory)**

1.	A perfectly competitive firm will shut-down if a. $AVC < AR$ b. $AVC > AR$ c. $AVC = MC$ d. $AVC < AC$	[2]	CO3
2.	In case of super-normal profit, position of AC curve is a. Above price line; b. Below price line; c. Tangent to price line; d. Parallel to price line	[2]	CO1
3.	In a perfectly competitive market, a firm in the long run operates at a. $AC = MC$ b. $AR = MR$ c. $MR = MC$ d. $P = AR = MR = AC = MC$	[2]	CO2
4.	A profit maximizing monopolist produces a quantity corresponding to a. $MR = MC$ b. $P = MC$ c. $P = MR$ d. $P = AR = MR = MC$	[2]	CO4
5.	Formation of natural monopoly due to economies of scale is known as; a. A natural barrier; b. A legal barrier; c. A structural barrier; d. An efficiency barrier	[2]	CO4
6	For a monopolist firm, slope of AR is a. Equal to slope of MR; b. Twice the slope of MR; c. Half of the slope of MR; d. Perfectly elastic AR	[2]	CO4
7	If demand equation is given by $D = 1000 - P$ , and the supply equation is given by $S = 100 + 4P$ , price would be a. $P = 160$ a. $P = 180$ c. $P = 170$ d. $P = 200$	[2]	CO3
8	Samsung mobile and mobile battery are examples of a. Replacement and recurring demand; b. Short term and long term demand; c. Consumer durables; d. Derived and direct demand.	[2]	CO3
9	Which of the following is not long run concept? a. Expansion path      b. Isoquant      c. Economies of scale      d. Law of variable proportions	[2]	CO5
10	Which of the following is valid for liner indifference curves a. Goods are perfect complements      b. goods are perfect substitutes c. MRS for such curves is an increasing ratio d. MRS for such curves is in decreasing ratio	[2]	CO1

**SECTION B (Attempt any four Questions)**

11.	Define ‘Marginal rate of substitution’.	[5]	CO4
12.	Distinguish between short run cost and long run cost.	[5]	CO2
13.	Can two isoquants intersect each other? Why?	[5]	CO5
14.	State ‘laws of diminishing returns in terms of labor and land.	[5]	CO1
15.	Define returns to scale.	[5]	

<b>SECTION C</b>		<b>Long Answer type questions (2*15=30)</b>	
15.	Define and explain the concept of 'economies of scale' with appropriate example.	[15]	CO4
16.	Is there some difference in 'decrease in demand' and 'contraction in demand'? Explain with the help of diagram.	[15]	CO3
<b>Section-D This section is compulsory [30]</b>			
17.	Compare the assumptions and profit maximization of monopoly with perfect competition. Explain the difference with the help of diagram.	[15]	CO2
18.	State the relationship between average cost and marginal cost	[15]	CO4