

ECON 1001	Business Economics-I	L	T	P	C
Version 1.0		3	0	0	3
Pre-requisites/Exposure	Basic Algebra (10 th Standard)				
Co-requisites					

Course Objectives

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

Course Outcomes

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

- CO1. To understand and apply supply and demand analysis to relevant economic issues.
- CO2. To apply marginal analysis to the “firm” under different market conditions.
- CO3. Students will learn the concepts of cost, nature of production and its relationship to business operations.
- CO4. To understand the causes and consequences of different market conditions.
- CO5. To analyse the 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

Unit I:

04 Hours

Introduction

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

Unit II: 10 Hours

Theory of Demand & Supply

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: 10 Hours

Theory of production and cost

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

12 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

Text Book

1. Mankiw, G.N. (2012). Principles of Microeconomics with Coursemate. 6th ed. India: Cengage Learning India.
2. Samuelson, P. A., & Nordhaus, W. D. (2012). Economics (19th ed.). New Delhi: Tata McGraw Hill Education Private Limited.

Reference Books

1. Koutsoyiannis, A. (1981). Modern microeconomics (2nd ed.). London: Macmillan
2. Samuelson, P. A. 1., & Nordhaus, W. D. (2005). Macroeconomics (18th ed.). Boston, MA: McGraw-Hill/Irwin

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

Components	MSE	IA	ESE
Weightage (%)	20	30	50
		<ul style="list-style-type: none"> • Case Presentation (30 Marks) • Online Assignments (40 Marks) • Quiz (30 Marks) 	

Relationship between the Course Outcomes (COs) and Program Outcomes (POs)

Mapping between COs and POs		
	Course Outcomes (COs)	Mapped Programme Outcomes
CO1	To understand and apply supply and demand analysis to relevant economic issues.	PO 1, 2, 4, 8,9,12
CO2	To apply marginal analysis to the “firm” under different market conditions.	PO 2,3,4,8,7,8
CO3	Students will learn the concepts of cost, nature of production and its relationship to business operations	PO 3,4,6,8, 9, 12
CO4	To understand the causes and consequences of different market conditions.	PO 4,5,6,7,9,10,11
CO 5	To analyse the price and output decisions of firms under various market structure.	PO 1,2,4,8,9,10

Program Outcome / Course Outcome mapping

Course Outcomes	CO 1	CO 2	CO 3	CO 4	CO 5
PO 1	3	3	3	2	3
PO 2	3	3	3	2	2
PO 3	3	3	3	2	2

PO 4	3	1	1	3	3
PO 5	2	2	1	3	1
PO 6	2	2	2	2	1
PO 7	3	3	1	2	2
PO 8	3	3	3	3	2
PSO 9	3	3	3	1	3
PSO 10	3	3	3	2	3
PSO 11	3	3	3	2	3
PSO 12	1	1	1	3	2


			Students will demonstrate strong conceptual knowledge of management & its functional areas.	Students will demonstrate effective oral and written communication skills in the professional context.	Students will be able to work effectively in teams and demonstrate team-building capabilities.	Students will be able to evaluate the legal, social and economic environments of business.	Students will be able to describe the global environment of business.	Students will demonstrate sensitivity towards ethical and moral issues and have ability to address them in the course of business.	Students will be able to apply decision-support tools to business decision making.	Students will be able to apply knowledge of business concepts and functions in an integrated manner.	Students will demonstrate conceptual domain knowledge of the logistics sector.	Students will apply decision-support tools to decision making in logistics sector.	Students will apply conceptual knowledge of logistics sector in an integrated manner.	Students will demonstrate employable and deployable skills for appropriate roles in management.
ECO N 1001	Business Economic s-I	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO 9	PSO 10	PSO 11	PSO12	
		3	3	3	2	2	2	2	3	2	3	3	2	

1 – Weakly mapped

2 – Moderately mapped

3 – Strongly mapped

Model Question Paper

Name: Enrolment No:				
Course: ECON1001 – Business Economics-I				
Programme: BBA (Logistic Management) Time: 03 hrs.			Semester: I 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]	
SECTION C Long Answer type questions (Answer any two)			
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
17.	State the relationship between average cost and marginal cost	[15]	CO4
Section-D This section is compulsory			
18.	Compare the assumptions and profit maximization of monopoly with perfect competition. Explain the difference with the help of diagram.	[15]	CO2