



ST. PHILOMENA'S COLLEGE (AUTONOMOUS), MYSORE 570015
A COLLEGE WITH POTENTIAL FOR EXCELLENCE (UGC)
SUBJECT: ECONOMICS
SYLLABUS FOR BBM COURSE I, II& V SEMESTER
FROM THE ACADEMIC YEAR 2016-17 ONWARDS.

BBM ECONOMICS. SEMESTER-I

Principles of Economics

5hrs/week=70 Hours

MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100

OBJECTIVE OF THE PAPER:

To introduce the basic concepts of Principles of Economics so as to strengthen the students understanding of Economics. Make the students understand how day to day Economic problems can be solved.

Unit I

Introduction to Economics:

8 Hrs

Nature and scope of economics – Definitions – Problems of Choice – Micro & Macro Economics– Meaning, Types, Importance and Limitations.

Unit II

Theories of Demand & supply.

12 Hrs

Demand: Definition – Demand Schedule – Demand Curve-Individual and Market Demand – Law of Demand – Extension and Increase and Contraction and Decrease in Demand – Factors influencing Demand – Exception to the Law of Demand- Elasticity of Demand – Types and Methods.

Supply: Definition – Supply Schedule – Supply Curve –Law of Supply – Extension and Increase and Contraction and Decrease in Supply–Factors Influencing Supply – Elasticity of supply.

Unit III

Theories of Consumer Behavior:

12 Hrs

Cardinal analysis – Concept of Utility - Law of Diminishing Marginal Utility – Consumer's Equilibrium- Law of Equi-Marginal Utility -Consumer Surplus and its application
Ordinal analysis – Indifference Curves –meaning – schedule – map - properties, marginal rate of substitution – price line — Income and price effects – Revealed Preferences Theorem.

Unit IV

20 hrs

Market Structure and Factor Pricing:

- a. Pure competition and Perfect competition – Features – Price and Output determination – role of time element – Monopoly – Features – price and output determination – Discriminating Monopoly – Monopolistic competition-Features – product differentiation – Oligopoly – Features – Kinked demand curve – Collusive and Non-Collusive oligopoly – Cartels and price leadership.
- b. Marginal productivity theory of distribution – modern theory of distribution.

Unit V**12 Hrs****Theories of employment and output:**

Classical Model - Say's Law of Market-Wage-Price Flexibility-Criticisms- Keynesian Model-Effective Demand- Aggregate Demand- Consumption and Investment Function.

Unit VI**6 Hrs****Business Cycle**

Business cycles – Meaning, Phases of business cycle -Control of Business Cycle– monetary and fiscal policy – meaning – objectives – instruments.

Text Books:

1. Economics – P A Samuelson
2. Fundamentals of Economics – Sankaran
3. Principals of Economics – Ahuja
4. Micro Economics – Robert Pyndick

BBM ECONOMICS SEMESTER- II
Title: Managerial Economics - 5hrs/week=70 Hour
MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100
OBJECTIVES OF THE PAPER:

It is a bridge between Economic theory and practical business problems. An understanding of Managerial Economics helps a students to take decisions in a modern firm or a business unit.

Unit- I:

Introduction to Managerial Economics **08 hrs**

Meaning and definition-Fundamental Concepts -Nature and Scope of Managerial Economics-importance of Managerial Economics.

Unit- II:

Demand Forecasting: **12 hrs**

Demand forecasting- Meaning, Objectives methods-Survey method and statistical methods-Semi-average-moving average-Least squares method.

Unit- III

Linear Programming: **12 hrs**

Meaning-Applications of Linear Programming-Basic Concepts- Cost minimization and profit maximization-Graphic method- procedure used in formulating and solving linear programming problem.

Unit-IV:

Pricing Policy: **20 hrs**

Meaning and methods: Cost plus or mark up pricing-Rate of return pricing-Marginal cost pricing –going rate pricing-Customary prices-pricing over the life cycle of a product-pricing a new product-. Skimming and penetration price policy-Multiple product pricing-Transfer pricing.

Unit- V:

Profit Management and capital budgeting: **15hrs**

- a. Profit: Meaning of Profit-Accounting profit and Economic profit-Break-Even Analysis- Problems-Break-Even quantity, Break-Even sales –Safety margin-Profit Estimation.
- b. Capital Budgeting : Need for Capital Budgeting –Capital Budgeting Techniques – Returns onInvestment – Pay-Back Period – Net Present Value Method – Measuring Project Profitability – Cost of Capital- Debt, Equity and Weighted Cost of Capital – Risk Adjustment – Capital Rationing.

Text Books:

1. Salvatore Dominic -**Managerial Economics**, McGraw Hill, New York.
2. Seo K.K. -**Managerial Economics**- Surjeet publications, Delhi.
3. Peterson H. Craig and W. Cris Lewis, -**Managerial Economics**, Pearson Education, Singapore.
4. **Maheswari & Varshnay Managerial Economics**

BBM ECONOMICS. SEMESTER-V
4hrs/week=56 Hours
MARKS THEORY – 80 + INTERNAL ASSESSMENT -20 = 100
Indian Economic Development

OBJECTIVE OF THE PAPER:

To understand the Economic problems that our country is facing, to understand its causes, provide solutions. To know the process of Economic development in India.

Unit I

Introduction to Indian Economy **18hrs**

Salient features of Indian Economy – Sectoral developments – agriculture, industry and service sectors – since the New Economic Policy of 1991. Sectoral and regional imbalances.

Unit II

8 hrs

National Income:

Definition and concepts- Measurement of National Income – Difficulties in national income measurement -Trends in GDP growth-Inequalities in Income and Wealth- Parallel economy – Magnitude -Consequences and Remedial Measures.

Unit III

12 hrs

Reserve Bank Of India, Money and Capital Market:

- a. Functions of RBI- Its Role in India's Economic Development.
- b. Money Market – Meaning, Composition and Characteristics-Functions and Role of Commercial Banks- Foreign Institutional Investors.
- c. Capital Market- Meaning, composition- Functions and Importance of SEBI.

Unit IV

8 hrs

a. Indian Fiscal System:

Revenue and Expenditure of the Central and State Governments- Public Debt Management- Financial Relations between Center and State.

b. Challenges to Development:

- Poverty- Meaning, Types, Causes, Magnitude, Consequences and Poverty alleviation Programmes
- Unemployment – Meaning, Types, Causes, Magnitude and Remedies.

Unit V

10 hrs

Foreign Trade:

Meaning, Direction and Composition, trends in India's Foreign Trade - balance of payments- foreign exchange-Current and Capital account convertibility.

Text Books:

1. Indian Economy – Agarwal A. N.
2. Indian Economy – Alok Gosh
3. Indian Economy – Tandon
4. Indian Economy – Rudder Dutt

B.Com

FOURTH SEMESTER – B.Com

PAPER-1: BUSINESS DECISIONS(Dept. of Economics)

Class Duration: 14 Weeks with 6 Hours a week = 84 Hrs

Marks: Theory 80 + Internal Assessment 20 = 100

OBJECTIVES OF THE PAPER:

It is a bridge between Economic theory and practical business problems. An understanding of Business Decision helps a students to take decisions in a modern firm or a business unit.

Unit 1

Introduction:

8 Hrs

Meaning of Decisions – Features – Importance – Basic Concepts of Business Decisions – Factors Influencing Business Decisions.

Unit 2 :

Demand Forecasting:

8 Hrs

Meaning and Objectives – Survey and Statistical methods – semi average method – moving average method – least square method

Unit 3:

Production, Cost and Market Structure:

16Hrs

Concept of production function – Law of Variable Proportions-Laws of Returns to Scale-Economies of Scale- Internal and External Economies and Diseconomies.

Cost Concept – Fixed & Variable cost – Explicit and Implicit cost – Marginal and Average cost

Market Structures- meaning and features of Pure, Perfect, Monopoly and Monopolistic Market-Oligopoly- Meaning, Features, Price and Output Determination- Game theory.

Unit 4

12 Hrs

Pricing Policies &Practices

Cost-Plus Pricing or Mark up Pricing – Marginal Cost Pricing illustration with problems. Multiple Products Pricing – Competitive bidding of prices.

Unit 5

18 Hrs

Capital Budgeting and Cost of Capital

Meaning & Importance – Technique – Payback period method and net present value method illustration with problems

Cost of capital – Meaning & importance – Equity share capital preference share capital – Debt capital. Earnings per Share (EPS) earnings before interest and Tax (EBIT) illustrations with problems.

Text Books:

- | | | |
|--|---|-------------------|
| 1. Financial Management | : | M.Y.Khan&P.K.Khan |
| 2. Managerial Economics | : | D.N. Dwivedi |
| 3. Pricing Strategies | : | Oxenfeldt |
| 4. Behaviour of Industrial Prices in India | : | RuchiraChetterji |
| 5. Industrial Pricing and Market Prices | : | Oxenfeldt |
| 6. Economic Theory and Operations Analysis | : | Baumol |
| 7. Managerial Economics | : | Maheswary |