

Veer Narmad South Gujarat University

Syllabus Effective from 2016-17

F .Y .B. Com.

Semester II

Subject: Business Economics

Objective:

Objective of this syllabus is to introduce the First Year Students of Commerce faculty with various micro economic concepts and its application in decision making for business.

Unit 1: Price and Output Determination (A) 25%

Perfect Competitions: Meaning - Characteristics - Short Run and Long Run Equilibrium of a Firm and Industry – Monopoly Market: Meaning Features, Determination of Price and Output under Monopoly - Price Discrimination: Meaning Types and Essential Conditions for Possibility and Profitability.

Unit 2: Price and Output Determination (B) 25%

Monopolistic competition: Meaning – characteristics - Price and Output determination of a Firm - Group Equilibrium – Selling Cost – Shape of Selling Cost Curve Oligopoly: Main Features - Sweezy's Kinked Demand Curve Model - Price Leadership.

Unit 3: Capital Budgeting 25%

Capital Budgeting: Meaning – Nature of Capital Budgeting – Factors Influencing Investment Decision – Techniques of Investment Appraisal: Pay Back Period Method – Average Rate of Return Method (ARR) - Net Present Value Method (NPV) – Internal Rate of Return Method (IRR) with Examples – Sources of Fund: External Sources – Internal Sources – Capital Rationing

Unit 4: Theory of Profit 25%

Profit: Meaning – Nature- Theories of Profit: Clark's Dynamic Theory - Schumpeter's Innovation Theory - Knight's Risk, Uncertainty bearing Theory - Monopoly Theory of Profit. Distinction between Accounting Profit and Economic Profit.

Selected Reading :

1. MC Nair, M. P. and R. S. Mariam. Problems in Business Economics, Mc Graw Hill, N. Y. 1941
2. Joel Dean. Managerial Economics, Prentice Hall, Englewood Cliffs, N. J.
3. Spencer M. H. and Siegelman – Managerial Economics Richard Irwin – 1964.
4. Hague D. C. – Managerial Economics – Analysis for Business Decision, Longmans, London. 1969.
5. Graham P – Managerial Economics, Adission – wisely Publishing Co. Massachusetts, 1980.
6. G. S. Gupta – Managerial Economics, Tata McGraw Hill.
7. H. L. Ahuja – Principals of Micro Economics – S. Chand & Co. New Delhi.
8. R. L. Varshney and K. L. Maheshwari – Managerial Economics – Chand and Co. New Delhi.
9. પ્રા. રિચાર્ડ લિપ્સી – વાસ્તવદર્શી અર્થશાસ્ત્ર (ભાગ – ૧ અને ૨) યુનિ. ગ્રંથ નિર્માણ બોર્ડ (અનુવાદ)
10. બોમલ – અર્થશાસ્ત્રના સિદ્ધાંતો અને કાર્યાત્મક પૃથકકરણ – યુનિ. ગ્રંથ નિર્માણ બોર્ડ (અનુવાદ)
11. પ્રો. એચ. કે. ત્રિવેદી – અર્થશાસ્ત્રના સિદ્ધાંતો – મૂલ્ય અને વહેંચણી – યુનિ. ગ્રંથ નિર્માણ બોર્ડ.
12. પ્રો. આર. કે. અમીન – મૂલ્યના સિદ્ધાંતો – યુનિ. ગ્રંથ નિર્માણ બોર્ડ.