

**K L UNIVERSITY**  
**DEPARTMENT OF COMMERCE**  
**B.Com (Honours) (Accounting & Finance)**  
**I - SEMESTER**

**BUSINESS ECONOMICS**

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**Unit – I: Introduction to Economics: (Hours 5)**

Meaning, Definition and Scope of economics – Methodology in economics - Micro and Macro – static and Dynamic – Normative and Positive - Inductive and Deductive analysis - partial and general equilibrium.

**Unit – II: Consumer Behaviour: (Hours 9)**

Concept of Utility – Cardinal utility – Ordinal utility - Demand function – Law of Demand - Law of Diminishing marginal utility – Law of equi marginal utility – Elasticity of demand – Price, Income and Cross elasticity - Concept of Price Elasticity of demand – Measuring Price Elasticity – Different Methods

Indifference Curves - Properties of indifference curve – Price(Budget) Line - Indifference curve schedule and indifference curve – Indifference Map – consumer Equilibrium with the help of indifference curve –

**Unit III: Theory of Production and Costs: (Hours 6)**

Production Function – Law of variable proportions – Law of returns to scale - Internal and External Economics - Determinants of supply – Supply functions – Law of supply - Elasticity of supply and its measurements – Cost curves – Fixed and variable costs, Money costs and Real costs – Total, Average and Marginal costs – Opportunity costs - Revenue – Total, Average and Marginal Revenue

**Unit – IV: Market Structures: (Hours 5)**

Market structures – Perfect competition- imperfect markets – Price determination under Perfect competition. – Monopoly Price determination under monopoly – Price discrimination – Monopolistic competition - oligopoly - duopoly

**Unit – V: Factor Pricing (Hours5)**

Marginal productivity theory of distribution - Rent –Differential Rent – quasi Rent – Scarcity Rent – Theories of wage determination – Minimum wage – Interest classical and neo classical and Keynesian theories – profit dynamics

**Text Book:**

1.Paul Samuelson, Principles of Economics, Tata McGraw Hills, 2009, 19<sup>th</sup> Edition, New Delhi

**Reference Books:**

1. K.K.Dewett, Modern Economic Theory, S.Chand, 2008, 4<sup>th</sup> Edition, New Delhi.
2. A.Koutsoyiannias, Modern Micro Economics, Mcmillan, 2007, 2<sup>nd</sup> Edition, New Delhi
3. Pindyck R.S & D.L Rubin Feld , Micro Economics, PHI, 2009, 7<sup>th</sup> Edition, New Delhi
4. Robert H Frank and Ben Bernanke, Principles of Economics, Tata McGraw Hills, 2007, 2<sup>nd</sup> Edition, New Delhi

5. R.Dornbusch, S.Fisher and R.Startz, Macro Economics, Tata Mc Graw Hill, 2009, 9<sup>th</sup> edition  
New Delhi
6. Ruddar Dutt and Sundaram, Indian Economy, S.Chand & Company, 2010, 61<sup>st</sup> Edition, New  
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