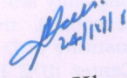


UNIVERSITY OF MUMBAI
No. UG/85 of 2016-17

CIRCULAR:-

A reference is invited to the Syllabi relating to the F.Y. B.Com degree course vide this office Circular No. UG/23 of 2012-13 dated 11th May, 2012 and the Principals of affiliated Colleges in Commerce are hereby informed that the recommendation made by Board Studies Business Economics at its meeting held on 27th May, 2016 has been accepted by the Academic Council at its meeting held on 24th June, 2016 vide item No. 4.17 and that in accordance therewith, the revised syllabus as per Choice Based Credit System in the course of Business Economics for F.Y.B.Com, for (Sem. I & II), which is available on the University's web site (www.mu.ac.in) and that the same has been brought into force with effect from the academic year 2016-17.

MUMBAI - 400 032
25th October, 2016


(Dr.M.A. Khan)
REGISTRAR

To,
The Principals of affiliated Colleges in Commerce.

A.C/4.17 /24/06/2016

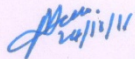
No. UG/85 -A of 2016-17

MUMBAI-400 032

25th October, 2016

Copy forwarded with compliments for information to:-

- 1) The Dean, Faculty of Commerce,
- 2) The Director, Board of College and University Development,
- 3) The Controller of Examinations,
- 4) The Professor-cum- Director, Institute of Distance and Open Learning (IDOL),
- 5) The Co-Ordinator, University Computerization Centre.


(Dr.M.A. Khan)
REGISTRAR

PTO..

UNIVERSITY OF MUMBAI



Syllabus for First Year B.Com
(Semester I and Semester II)

Programme

Business Economics Paper I & II

(Choice Based Credit System with effect from the
Academic year 2016-17)

First Year B.Com Semester I

Business Economics Paper I

Preamble

This paper provides an overall introduction to economics as dealing with the problems of allocation of scarce resources in optimum manner. It aims to build a familiarity with the basic tools of consumer and producer theory, the operation of markets and optimisation in an economic context. In order to explain economic issues and solutions in a practical manner, the concepts are to be discussed with case studies and numerical problems wherever applicable.

Unit I: Introduction

(10 lectures)

Scope and Importance of Business Economics - basic tools- Opportunity Cost principle- Incremental and Marginal Concepts. Basic economic relations - functional relations: equations- Total, Average and Marginal relations- Use of Marginal analysis in decision making.

The basics of market demand, market supply and equilibrium price- shifts in the demand and supply curves and equilibrium

Unit II: Demand Analysis (15 lectures)

Demand Function - nature of demand curve under different markets

Meaning, significance, types and measurement of elasticity of demand (Price, income cross and promotional) - relationship between price elasticity of demand and revenue concepts

Demand Estimation and forecasting: Meaning and significance - methods of demand estimation- survey and statistical methods (numerical examples on trend analysis and simple linear regression)

Unit III: Supply and Production Decisions:

(10 lectures)

Production function: short run analysis with Law of Variable Proportions- Production function with two variable inputs- isoquants, ridge lines and least cost combination of inputs- Long run production function and Laws of Returns to Scale - expansion path - Economies and diseconomies of Scale and economies of scope

Unit IV: Cost of Production:

(10 lectures)

Cost concepts: accounting cost and economic cost, implicit and explicit cost, social and private cost, historical cost and replacement cost, sunk cost and incremental cost -fixed and variable cost - total, average and marginal cost - Cost Output Relationship in the Short Run and Long Run- (hypothetical numerical problems to be discussed)

Extension of cost analysis: Cost reduction through experience- LAC and Learning curve and Break Even Analysis (with business application)

References:

- 1) Mehta, P.L.: *Managerial Economics – Analysis, Problem and Cases* (S. Chand & Sons, N. Delhi, 2000)
- 2) Hirschey .M., *Managerial Economics, Thomson South western* (2003)
- 3) Salvatore, D.: *Managerial Economics in a global economy* (Thomson South Western Singapore, 2001)
- 4) Frank R.H, Bernanke.B.S., *Principles of Economics* (Tata McGraw Hill (ed.3)
- 5) Gregory Mankiw., *Principles of Economics, Thomson South western* (2002)

- 6) Samuelson & Nordhas.: *Economics* (Tata McGraw Hills, New Delhi, 2002)
7) Pal Sumitra, *Managerial Economics cases and concepts* (Macmillan, New Delhi, 2004)

F.Y B.Com Semester II

Business Economics Paper II

Unit I: Market Structure: Perfect Competition and Monopoly (10 lectures)

Perfect competition and Monopoly models as two extreme cases - profit maximisation and the competitive firm's supply curve - Short run and long run equilibrium of a firm and of industry - Monopoly - Sources of monopoly power – short run and long run equilibrium of a firm under Monopoly

Unit II: Pricing and Output Decisions under Imperfect Competition (15 lectures)

Monopolistic competition: Competitive and Monopolistic elements of monopolistic competition- equilibrium of firm under monopolistic competitions, monopolistic verses perfect competition, excess capacity and inefficiency, debate over role of advertising, (topics to be taught using case studies from real life examples)

Oligopolistic Market: Key attributes of oligopoly- Collusive and non-collusive oligopoly market, Price rigidity, Cartels and price leadership models (with practical examples)

Unit III: Pricing practices (10 lectures)

Cost oriented pricing methods: cost –plus (full cost)/mark-up pricing, marginal cost pricing, Mark up pricing, discriminating pricing, multiple – product pricing - transfer pricing (case studies on how pricing methods are used in business world)

Unit IV: Evaluating capital projects (10 lectures)

Meaning and importance of capital budgeting- steps in capital budgeting- Techniques of Investment appraisal: payback period method, net present value method, and internal rate of return method (with numerical examples)

References:

- 1) Mehta, P.L.: *Managerial Economics – Analysis, Problem and Cases* (S. Chand & Sons, N. Delhi, 2000)
- 2) Hirschey .M., *Managerial Economics*, Thomson South western (2003)
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- 6) Samuelson & Nordhas.: *Economics* (Tata McGraw Hills, New Delhi, 2002)
- 7) Pal Sumitra, *Managerial Economics cases and concepts* (Macmillan, New Delhi, 2004)

Question Paper Pattern (Business Economics Paper I & II)

Maximum Marks: 100
 Questions to be set: 06
 Duration: 03Hrs.

Question No	Particular	Marks
Q-1	Objective Questions A) Sub Questions to be asked 07 and to be answered any 05 B) Sub Questions to be asked 12 and to be answered any 10 (*Multiple choice / True or False / Match the columns/Fill in the blanks)	20
Q-2 Q-2	Full Length Question OR Full Length Question	15
Q-3 Q-3	Full Length Question OR Full Length Question	15
Q-4 Q-4	Full Length Question OR Full Length Question	15
Q-5 Q-5	Full Length Question OR Full Length Question	15
Q-6	Short Notes To be asked 06 To be answered 04	20

Note- Theory questions of 15 marks may be divided into two sub questions of 7/8 and 10/5.