Course code	Course Name	L-T-P - Credits	Year of Introduction
HS200	**Business Economics**	**3-0-0-3**	**2016**

Prerequisite: Nil

Course Objectives

- To familiarize the prospective engineers with elementary Principles of Economics and Business Economics.
- To acquaint the students with tools and techniques that are useful in their profession in Business Decision Making which will enhance their employability;
- To apply business analysis to the “firm” under different market conditions;
- To apply economic models to examine current economic scenario and evaluate policy options for addressing economic issues
- To gain understanding of some Macroeconomic concepts to improve their ability to understand the business climate;
- To prepare and analyse various business tools like balance sheet, cost benefit analysis and rate of returns at an elementary level

Syllabus

Business Economics - basic concepts, tools and analysis, scarcity and choices , resource allocation, marginal analysis, opportunity costs and production possibility curve. Fundamentals of microeconomics - Demand and Supply Analysis, equilibrium, elasticity, production and production function, cost analysis, break-even analysis and markets. Basics of macroeconomics - the circular flow models, national income analysis, inflation, trade cycles, money and credit, and monetary policy. Business decisions - investment analysis, Capital Budgeting decisions, forecasting techniques and elementary Balance Sheet and taxation, business financing, international investments

Expected outcome .

A student who has undergone this course would be able to

i. make investment decisions based on capital budgeting methods in alignment with microeconomic and macroeconomic theories.
ii. able to analyse the profitability of the firm, economy of operation, determination of price under various market situations with good grasp on the effect of trade cycles in business.
iii. gain knowledge on Monetary theory, measures by RBI in controlling interest rate and emerging concepts like Bit Coin.
iv. gain knowledge of elementary accounting concepts used for preparing balance sheet and interpretation of balance sheet

Text Books

1. Geetika, Piyali Ghosh and Chodhury, *Managerial Economics*, Tata McGraw Hill, 2015
2. Gregory Mankiw, *Principles of Macroeconomics*, Cengage Learning, 2006.
3. M.Kasi Reddy and S.Saraswathi, *Economics and Financial Accounting*. Prentice Hall of India. New Delhi.

References:

1. Dornbusch, Fischer and Startz, *Macroeconomics*, McGraw Hill, 11th edition, 2010.
2. Khan M Y, *Indian Financial System*, Tata McGraw Hill, 7th edition, 2011.
3. Samuelson, *Managerial Economics*, 6th edition, Wiley
4. Snyder C and Nicholson W, *Fundamentals of Microeconomics*, Cengage Learning (India), 2010.
5. Truett, Managerial Economics: Analysis, Problems, Cases, 8th Edition, Wiley
6. Welch, *Economics: Theory and Practice* 7th Edition, Wiley
7. Uma Kapila, *Indian Economy Since Independence, 26th Edition: A Comprehensive and Critical Analysis of India's Economy*, 1947-2015
8. C Rangarajan, *Indian Economy, Essays on monetary and finance*, UBS Publishers'Distributors, 1998
9. A.Ramachandra Aryasri, *Managerial Economics and Financial Analysis*, Tata McGraw-Hill, New Delhi.
10. Dominick Salvatore, *Managerial Economics in Global Economy*, Thomas Western College Publishing, Singapore.
11. I.M .Pandey, *Financial Management*, Vikas Publishing House. New Delhi.
12. Dominick Salvatore, *Theory and Problems of Micro Economic Theory*. Tata Mac Graw-Hill, New Delhi.
13. T.N.Hajela.*Money, Banking and Public Finance*. Anne Books. New Delhi.
14. G.S.Gupta. *Macro Economics-Theory and Applications*. Tata Mac Graw- Hill, New Delhi.
15. Yogesh, Maheswari, *Management Economics* , PHI learning, NewDelhi, 2012
16. Timothy Taylor , *Principles of Economics*, 3rd edition, TEXTBOOK MEDIA.
17. Varshney and Maheshwari. *Managerial Economics*. Sultan Chand. New Delhi

Course Plan

Module	Contents	Hours	Sem. Exam Marks
I	**Business Economics** and its role in managerial decision making-meaning-scope-relevance-economic problems-scarcity Vs choice (2 Hrs)-Basic concepts in economics-scarcity, choice, resource allocation- Trade-off-opportunity cost-marginal analysis- marginal utility theory, Law of diminishing marginal utility -production possibility curve (2 Hrs)	4	15%
II	**Basics of Micro Economics I** Demand and Supply analysis-equillibrium-elasticity (demand and supply) (3 Hrs.) -Production concepts-average product-marginal product-law of variable proportions- Production function-Cobb Douglas function-problems (3 Hrs.)	6	15%
FIRST INTERNAL EXAMINATION			
III	**Basics of Micro Economics II** Concept of costs-marginal, average, fixed, variable costs-cost curves-shut down point-long run and short run (3 Hrs.)- Break Even Analysis-Problem-Markets-Perfect Competition, Monopoly and Monopolistic Competition, Oligopoly-Cartel and collusion (3 Hrs.).	6	15%
IV	**Basics of Macro Economics** - Circular flow of income-two sector and multi-sector models- National Income Concepts-Measurement methods-problems-Inflation, deflation (4 Hrs.)-Trade cycles-Money-stock and flow concept-Quantity theory of money-Fischer's Equation and Cambridge Equation -velocity of circulation of money-credit control methods-SLR, CRR, Open Market Operations-Repo and Reverse Repo rate-emerging concepts in money-bit coin (4 Hrs.).	8	15%

SECOND INTERNAL EXAMINATION			
V	**Business Decisions I**-Investment analysis-Capital Budgeting-NPV, IRR, Profitability Index, ARR, Payback Period (5 Hrs.)- Business decisions under certainty-uncertainty-selection of alternatives-risk and sensitivity- cost benefit analysis-resource management (4 Hrs.).	9	20%
VI	**Business Decisions II** Balance sheet preparation-principles and interpretation-forecasting techniques (7 Hrs.)-business financing-sources of capital- Capital and money markets-international financing-FDI, FPI, FII-Basic Principles of taxation-direct tax, indirect tax-GST (2 hrs.).	9	20%
END SEMESTER EXAM			

Question Paper Pattern

Max. marks: 100,   Time: 3 hours

The question paper shall consist of three parts

Part A

4 questions uniformly covering modules I and II. Each question carries 10 marks
Students will have to answer any three questions out of 4 (3X10 marks =30 marks)

Part B

4 questions uniformly covering modules III and IV. Each question carries 10 marks
Students will have to answer any three questions out of 4 (3X10 marks =30 marks)

Part C

6 questions uniformly covering modules V and VI. Each question carries 10 marks
Students will have to answer any four questions out of 6 (4X10 marks =40 marks)

Note: In all parts, each question can have a maximum of four sub questions, if needed.