

Course: OE
Fundamentals of Business Economics-Micro

Semester: II	Credits: 2	Subject Code: OE2-22310	Lectures: 30
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Course Outcomes:

At the end of this course, the learner will be able to:

- CO1-Recall, relate and recognize how markets organize core economic activities, such as production, distribution, and consumption, and the growth of productive resources.
- CO2-Comprehend and explain the economic theories and analyze economic issues under fields of applied microeconomics.
- CO3-Remember, recognize and demonstrate ethical values and its role in economic decisions and differentiate between normative economics and positive economics.
- CO4-Understand and describe governmental efforts to address market failure such as monopoly power, externalities.

Unit 1: Demand Supply Analysis

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- Introduction to Economics. Basic Economic Problems and their solution.
- Basic concepts- Opportunity cost, Normative and Positive Economics, Stock and Flow, Partial and General Equilibrium, Static and Dynamic Analysis. Optimization (Maximization and Minimization), Selling Cost
- Demand Curves- Individual and Market, Law of Demand, Factors affecting demand, Exception to the Law of Demand. Introduction to Normal, Superior, Inferior and Giffen Goods
- Supply Curves- Individual and Market, Law of Supply Factors affecting Supply. Market Equilibrium- Nature and Stability of the Equilibrium.
- Elasticity- Different Types of Elasticities- Price, Income, Cross-Price. Degrees of Price Elasticity. Supply Elasticity
- Assignment: Internal

Unit 2: Consumer Behaviour Theory, Revenue and Cost Analysis and Markets

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- Introduction, Consumer Preference-Ordinal and Cardinal Utility, Indifference Curve Analysis, Indifference Curves and Utility Analysis, Consumer's Income-Concept of the Budget Line, Consumer's Equilibrium
- Concept of Revenue- Total Revenue, Marginal Revenue, Average Revenue and the relationship among them.
- Short Run Cost Analysis- Fixed, Variable, Total Cost Curves, Average and Marginal Cost Curves. Private and Social Costs.
- Market Structure: Nature and Assumptions of Perfect Competition, Monopoly: Monopolistic Competition and Oligopoly



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Chairperson (HoD)	Business Economics and Banking	Dr. Shalini Iyer	<i>Shalini Iyer</i>

Recommended Text Books:

- Ghosh Geetika, Piyali, Roy Choudhury Purba, *Managerial Economics*, McGraw Hill Companies, 2009
- Sen Anindya, *Microeconomics, Theory and Applications*, OUP, 1999
- Lipsey and Chrystal, *An Introduction to Positive Economics*, Oxford University Press,
- Mithani. D M, *Managerial Economics*, Theory and Application, HPH
- Ferguson and Gould, *Microeconomics*, All India Traveller Book Seller, ND, 1989
- Koutsoyiannis A, *Modern Microeconomics*, Macmillan Press, 1979
- Dowling Edward T, *Schaum's Outlines, Introduction to Mathematical Economics*, 2000
- Ahuja H L, *Business Economics (Micro and Macro)*, Sultan Chand and Co., New Delhi

Reference Books:

- Mankiw N Gregory, *Principles of Microeconomics*, Cengage Learning, 2008
- Samuelson and Nordhaus, *Economics*, Tata McGraw Hill
- Stonier and Hague, *A Textbook of Economic Theory*, ELBS and Longmans
- Layard P R G and Walters A W, *Microeconomic Theory*, McGraw Hill
- Henderson James M and Quandt Richard E, *Microeconomic Theory*, A Mathematical Approach, McGraw Hill International Book Company, 1980
- Baumol W J, *Economic Theory and Operations Analysis*, Prentice Hall of India

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Subject Expert (Outside SPPU)	Dr. Akshay Dhume	<i>Akshay Dhume</i> 27/5/23	
VC Nominee (SPPU)	Dr. Mahendra Agale		<i>M. Agale</i> 27/5/23
Industry Expert	CFP Himanshu Mayne		
Alumni	Ms. Pooja Singh	<i>Pooja Singh</i> 27/5/23	



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