

- 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)
- 3) Salvatore, D.: *Managerial Economics in a global economy* (Thomson South Western Singapore, 2001)
- 4) Frank Robert.H, Bernanke. Ben S., *Principles of Economics* (Tata McGraw Hill (ed.3)
- 5) Gregory Mankiw., *Principles of Economics*, Thomson South western (2002 reprint)
- 6) Samuelson & Nordhas.: *Economics* (Tata McGraw Hills, New Delhi, 2002)
- 7) Pal Sumitra, *Managerial Economics cases and concepts* (Macmillan, New Delhi, 2004)