



**Vivekanand Education Society's  
College of Arts, Science and Commerce  
(Autonomous)**

Sindhi Society, Chembur, Mumbai, Maharashtra – 400 071.

*Accredited by NAAC "A Grade" in 3<sup>rd</sup> Cycle - 2017  
Best College Award – Urban Area, University of Mumbai (2012-13)  
Recipient of FIST Grant (DST) and STAR College Grant (DBT)*

Affiliated to the

**University of Mumbai**

V.E.S.

*Since 1962  
Syllabus for*

**Program: B.Com. (Business Economics I)**

**(Program code: VESUCBE)**

**As per Choice Based Credit System (CBCS)  
with effect from Academic Year 2022 - 2023**

## **Program Outcomes (PO):**

Upon completion of B.Com Degree Programme the graduates will be able to:

PO-1 Understand the role of business , commerce, management, accounting and economics and it's implications on society.

PO-2 Acquire conceptual knowledge of accounting and acquire skills of maintaining accounts.

PO-3 Acquire entrepreneurial, administrative, legal and managerial skills.

PO-4 Develop the skills and techniques of communication and creative ability.

PO-5 Improve competency to make it eligible and employable in the job market.

PO-6 Recognize different value systems and ethics and develop a sense of social service.

PO-7 Become a responsible and dutiful citizen.

## **Program Specific Outcomes (PSO's)**

A learner completing Bachelor of Commerce will be able to:

PSO 1 Understand and comprehend the problems, policies and prospects of the Indian Economy and gain insights into reforms and measures.

PSO 2 Appreciate the interdependence of economies and understand international trade theories, Balance of Payments, Commercial Policy and Foreign Exchange Market.

PSO 3 Acquire conceptual knowledge of accounting and skills of maintaining financial statements, their components and how information from business transactions flow into these statements.

PSO 4 Develop the skills in the cost assessment of all facets of a business, including the cost of products, processes and contracts.

PSO 5 Understand computation of Income Tax of individuals and registration and level of Goods and Service Tax.

PSO 6 Understand the concepts of Business, Entrepreneurship, Service Sector, Management, Finance and Business Law and apply in current business scenarios.

PSO 7 Acquire knowledge about Marketing, Human Resource Management and International business exploring different career opportunities in the field of Commerce.

**F.Y.B.Com. (Business Economics)**

**(SEMESTER I)**

| <b>Course Code</b> | <b>Title</b>                                      | <b>Credits &amp; Lectures per Semester</b> | <b>Lectures per Week</b> |
|--------------------|---|--|--------------------------|
| <b>VESUCBE101</b>  | <b>(Business Economics)</b>                       | <b>03</b>                                  | <b>03</b>                |
|                    | <b>Unit I : Introduction.</b>                     | <b>10 Lectures</b>                         |                          |
|                    | <b>Unit II : Demand Analysis.</b>                 | <b>15 Lectures</b>                         |                          |
|                    | <b>Unit III: Supply and Production Decisions.</b> | <b>10 Lectures</b>                         |                          |
|                    | <b>Unit IV : Cost of Production.</b>              | <b>10 Lectures</b>                         |                          |

**F.Y.B.Com. (Business Economics)**

**(SEMESTER II)**

| <b>Course Code</b> | <b>Title</b>   | <b>Credits &amp; Lectures per Semester</b> | <b>Lectures per Week</b> |
|--------------------|--|--|--------------------------|
| <b>VESUSMB201</b>  | <b>(Business Economics)</b>  | <b>03</b>                                  | <b>03</b>                |
|                    | <b>Unit I : Market Structure: Perfect Competition and Monopoly.</b>        | <b>10 Lectures</b>                         |                          |
|                    | <b>Unit II : Market Structure: Monopolistic competition and Oligopoly.</b> | <b>15 Lectures</b>                         |                          |
|                    | <b>Unit III: Pricing practices</b>   | <b>10 Lectures</b>                         |                          |
|                    | <b>Unit IV : Evaluating Capital projects</b>                               | <b>10 Lectures</b>                         |                          |

## Detailed Syllabus: Unit wise / Module wise with number of lectures

### Course title: **Business Economics I**

Course code: **VESUSMB101**

**Objective:** To understand concepts of Business Economics and their implications and applications in real life.

#### **Learning Outcomes (LO):**

On successful completion of this course students will be able to:

- LO1 Understand Scope and Importance of Business Economics.
- LO2 Analyze consumer behaviour through demand and supply, elasticity.
- LO3 Understand the concepts of Market, Competition and demand curve in different markets.
- LO4 Understand the demand forecasting with numerical examples on trend analysis and simple linear regression
- LO5 Demonstrate and undertake production analysis.
- LO6 Demonstrate and undertake cost and revenue analysis.
- LO7 Understand Break Even Analysis (with business applications).

| Unit no. | Details of topics   | No of lectures |
|----------|---|----------------|
| 1        | <b>Introduction:</b> 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 - basics of market demand, market supply and equilibrium price - shifts in the demand and supply curves and equilibrium. | 10 Lectures    |
| 2        | <b>Demand Analysis:</b> Demand Function - Concepts of market and competition - Nature of demand curve under different markets -   | 15 Lectures    |

|   |   |             |
|---|---|-------------|
|   | Meaning, significance, types and measurement of elasticity of demand (Price, Income Cross and Promotional). Demand Forecasting - Meaning and significance - Methods of demand estimation- Survey and Statistical methods (numerical examples on trend analysis and simple linear regression)  |             |
| 3 | <b>Supply and Production Decisions:</b> 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 Law of returns to scale - Expansion path - Economies and diseconomies of scale and Economies of scope.  | 10 Lectures |
| 4 | <b>Cost of Production:</b> 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) | 10 Lectures |

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)

## Course title: Business Economics II

Course code: VERSACE 201

**Objective:** To understand concepts of Business Economics and their implications/ applications in real life.

### Learning Outcomes (LO):

On successful completion of this course students will be able to:

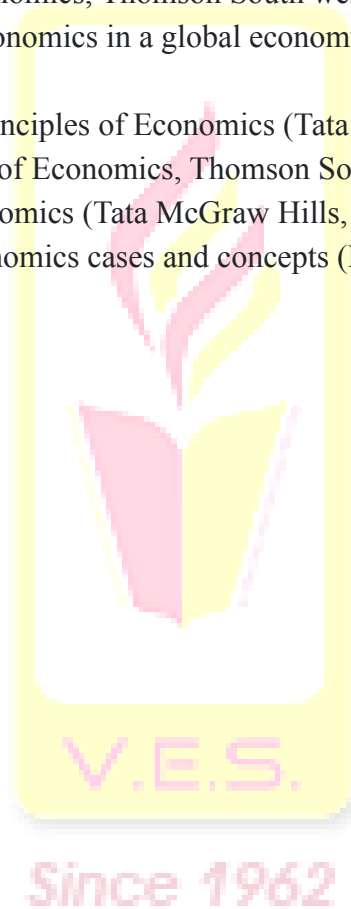
- LO1 Use the concepts of Market, Competition and demand curve in different markets.
- LO2 Identify and appraise various Markets on the basis of competition.
- LO3 Identify and appraise various models of how markets organization, and how price and output decisions are taken for maximizing profit.
- LO4 Identify use of different pricing strategies in business applications.
- LO5 Understands how to Evaluate capital projects.
- LO6 Students will understand and demonstrate core knowledge in Business Economics.

| Unit no. | Details of topics   | No of lectures |
|----------|---|----------------|
| 1        | <b>Market Structure: Perfect Competition and Monopoly :</b> Perfect competition and Monopoly models as two extreme cases - Profit maximization and the competitive firm's supply curve - Short run and long run equilibrium of a firm and industry - Monopoly - Sources of monopoly power – Short run and long run equilibrium of a firm under Monopoly.  | 10 Lectures    |
| 2        | <b>Market Structure: Monopolistic competition and Oligopoly :</b> Monopolistic competition - Elements of monopolistic competition- Equilibrium of firm under monopolistic competitions - Monopolistic versus 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). | 15 Lectures    |
| 3        | <b>Pricing practices :</b> Cost-plus pricing - Marginal cost pricing - Discriminating pricing - Multi-product pricing - Industrial specific pricing (Commodity pricing and Brand pricing) - Transfer pricing (case studies on how pricing methods are used in business world)   | 10 Lectures    |

|   |  |                |
|---|--|----------------|
| 4 | <b>Evaluating Capital projects</b> : 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). | 10<br>Lectures |
|---|--|----------------|

References:

- 1) Mehta, P.L.: Managerial Economics – Analysis, Problem and Cases (S. Chand & Sons, N. Delhi, 2000)
- 2) Hirchey .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)
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- 7) Pal Sumitra, Managerial Economics cases and concepts (Macmillan, New Delhi,2004)



## Modality of assessment

The performance of the learners shall be evaluated into two parts. The learner's performance shall be assessed by Internal Assessment with 25% marks in the first part & by conducting the Semester End Examinations with 75% marks in the second part.

**Students will have to score 40% of marks in Internal assessment as well as End Sem examination to pass the course.**

The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:-

Internal Assessment: It is defined as the assessment of the learners on the basis of internal evaluation as envisaged in the Credit & Choice based system by way of participation of learners in various academic and correlated activities in the given semester of the programme.

Semester End Assessment : It is defined as the assessment of the learners on the basis of Performance in the semester end Theory/ written examination.

### A. Theory - Internal assessment 25%

25 marks

| Sr No | Evaluation type  | Marks |
|-------|--|-------|
| 1.    | <ul style="list-style-type: none"><li>- Tests, Assignments,</li><li>- Project based learning activities (Group Research/ Case studies/ Reports / Assignments / Presentations / Skit / Poster / etc.),</li><li>- Class Test (multiple choice questions / objective)</li></ul> | 20    |
| 2.    | <ul style="list-style-type: none"><li>- Active participation in routine class activity</li><li>- Overall conduct as a responsible student, with respect to good behaviour, leadership qualities, interpersonal skills etc.</li></ul>   | 05    |

### B. Theory - External examination - 75%

75 marks

#### Semester End Theory Assessment

Duration - Each paper shall be of 2.5 hours duration.

1. Theory question paper pattern :-

- a. There shall be five compulsory questions, one based on each unit
- b. Each question shall carry 15 marks
- c. Each question shall be subdivided into three sub questions a, b and c with internal choice in each
- d. Q 5 will be short notes across Modules 1-4



## Question Paper Pattern (Business Economics Paper I & II)

Maximum Marks: 75

Questions to be set: 05

Duration: 2 ½ Hrs.

| Question No            | Particular   | Marks |
|------------------------|--|-------|
| Q-1 on Module 1        | Do any two<br>Full Length Question<br>Full Length Question<br>Full Length Question | 15    |
| Q-2 on Module 2        | Do any two<br>Full Length Question<br>Full Length Question<br>Full Length Question | 15    |
| Q-3 on Module 3        | Do any two<br>Full Length Question<br>Full Length Question<br>Full Length Question | 15    |
| Q-4 on Module 4        | Do any two<br>Full Length Question<br>Full Length Question<br>Full Length Question | 15    |
| Q-5 across Modules 1-4 | Short Notes<br>To be asked 04<br>To be answered 02                                 | 15    |

### Overall Examination and Marks Distribution Pattern

Since 1962

#### SEMESTER I

|        |            |
|--------|------------|
| Course | VESUCBE101 |
| Theory | 100        |

#### SEMESTER II

|        |            |
|--------|------------|
| Course | VESUCBE201 |
| Theory | 100        |



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