<table>
<thead>
<tr>
<th>Course code</th>
<th>Course Name</th>
<th>L-T-P - Credits</th>
<th>Year of Introduction</th>
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</thead>
<tbody>
<tr>
<td>HS200</td>
<td>Business Economics</td>
<td>3-0-0-3</td>
<td>2016</td>
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**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**

References:

Course Plan

<table>
<thead>
<tr>
<th>Module</th>
<th>Contents</th>
<th>Hours</th>
<th>Sem. Exam Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td><strong>Business Economics</strong> 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)</td>
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<td>II</td>
<td><strong>Basics of Micro Economics I</strong> Demand and Supply analysis-equilibrium-elasticity (demand and supply) (3 Hrs.) -Production concepts-average product-marginal product-law of variable proportions- Production function-Cobb Douglas function-problems (3 Hrs.)</td>
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<td>III</td>
<td><strong>Basics of Micro Economics II</strong> 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.)</td>
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## SECOND INTERNAL EXAMINATION

<table>
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<tr>
<th>Module</th>
<th>Title</th>
<th>Duration</th>
<th>Weightage</th>
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<tbody>
<tr>
<td>V</td>
<td><strong>Business Decisions I</strong> - 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.).</td>
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<td>VI</td>
<td><strong>Business Decisions II</strong> - 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.).</td>
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## 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.