



Mahatma Gandhi University

Kottayam

Programme	Bachelor in Business Administration (Honours)					
Course Name	Business Economics					
Type, of Course	CORE COURSE					
Course Code	MG2CCRBBA102					
Course Level	NA					
Course Summary	Business economics uses economic concepts and principles, emphasising demand and supply analysis, production and cost analysis, and different market structures, which are fundamental for further study. This course also introduces important macroeconomic concepts, which are indispensable for understanding the functioning of an economy and might affect business performance.					
Semester	2	MGU-BBA (HONOURS)			4	Total Hours
Course Details	Learning Approach	Lecture	Tutorial	Practical	Others	60
		60				
Pre-requisites						

COURSE OUTCOMES (CO)

CONo.	Expected Course Outcome	Learning Domains *	Annual PO No	MGU PO
1	Understand the fundamental concepts and principles of microeconomics and its application in business	A	1	10
2	Apply fundamental production and cost concepts to optimise resource utilisation	A	1	1
3	Understand and analyse different market structures and their influence on price and output determination	An	3	2
4	Understand a few key concepts in macroeconomics, the Indian economy and the calculation of National Income	U	4	7
*Remember (K), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C), Skill (S), Interest (I) and Appreciation (Ap)				

COURSE CONTENT

Content for Classroom transactions (Units)

Module	Course description	Hrs	CO No.
1: Fundamentals and Basic Elements of Microeconomics		30 Hrs	
1.1	Economics-Meaning, definition, the Economic Problem: Scarcity and Choice, Positive and Normative, Economics, Micro-economics - meaning, Macro-economic- meaning and scope; Managerial Economics-meaning, definition, significance	3	CO1
1.2	Demand-meaning and definition; Utility-total utility and marginal utility; types of demand; Law of diminishing marginal utility, assumptions, exceptions; Law of demand, assumptions, reasons, exceptions, Demand Schedule: Individual and Market Demand Curve, Determinants of Demand, Movement and Shift among Demand Curve	8	CO1
1.3	Elasticity of demand-meaning; Kinds of elasticity; Price elasticity-meaning, degree of price elasticity, factors influencing price elasticity, importance of price elasticity, measurement of price elasticity (theory only); Income elasticity - meaning, degree, uses/importance, measurement (theory only);	10	CO1

	advertisement elasticity: meaning, uses/importance of price elasticity, measurement (theory only); Cross elasticity: meaning, uses/importance, measurement (theory only)		
1.4	Supply- meaning, Supply Schedule: individual and market supply, determinants of supply, law of supply	5	CO1
2: Production Function			12 hrs
2.1	Factors of Production: Production Function, assumption, managerial uses, Laws of production: Law of Variable Proportions, assumptions reasons, Law of Returns to Scale; Isoquant curve, Isocost curve, Law of Equi-Marginal Utility, Indifference Curves	7	CO2
2.2	Cost-meaning, cost concepts; Theory of Cost- Short Run function, Long Run cost function	5	CO2
3: Analysis of Market			10 hrs
3.1	Concept of Market; Market forms- Perfect competition-meaning, features; Price and Output Determination Under Perfect Competition	7	CO3
3.2	Monopoly-meaning, features, kinds; Monopolistic Competition-meaning, features, Oligopoly-meaning, features; duopoly (meaning only); monopsony (meaning only); duopsony (meaning only); oligopsony (meaning only)	3	CO3
4: Introduction to Macroeconomics			12 hrs
4.1	A Brief Introduction of Indian Economy - Pre-and Post-Independence; Current Challenges Faced by Indian Economy; Sustainable Economic Development	4	CO4
4.2	Circular Flow of Income. Concept of GDP, GNP, NDP, NNP (At Market Price and Factor Cost), Methods of Calculating National Income	8	CO4

References

Text Books (Latest Editions):

1. Varian. H.R: Micro Economics A modern Approach
2. Mc Connell & Brue: Micro Economics Principal, problems & policies. McGraw Hills Professional Publication.
3. Ahuja, H.L. Advanced Economic theory

4. Jain K.P. Advanced Economic theory
5. Jhingan M.L. Modern Micro Economics
6. J. Shapiro: Macro Economic Theory and Policy
7. W.H. Bransin: Macro-Economic Analysis
8. M.L. Jhingan: Macro-Economic Theory and Policy
9. M.C. Vaishya: Macro-Economic Theory
10. Sunil Bhaduri: Macro Economic Analysis
11. H.L. Ahuja: Micro Economic Theory; Modern Publisher, Gulab Bhawan, 6, Bahadurshah Zafar Marg, New Delhi.
12. Samuelson & William D. Nordhaus: Economics; McGraw Hills.
13. A.N. Agarwal: Indian Economy.
14. M. Maria John Kennedy: Advanced Micro Economic Theory; Himalaya Publishing House, Delhi.
15. I.C. Dhingra & V.K. Garg: Economic Development & Planning in India.
16. D.M. Mithani: Macro Economics; Himalaya Publishing House.
17. Macroeconomics" by N. Gregory Mankiw Model curriculum for UG Degree in BBA
18. Macroeconomics: Principles, Applications, and Tools" by Arthur O'Sullivan, Steven Shiffrin, and Stephen Perez
19. Macroeconomics" by Olivier Blanchard

Suggestive Assessment Activities:

CO1:

1.1 Survey and report: (Individual/ Group 3-5 students)

Select three different products or services from real life (Example: A fast-moving consumer good (e.g., soft drinks), a luxury item (e.g., smartphones), and a substitute product (e.g., two different coffee brands). For each product, observe the following (by surveying with at least 10 participants):

- Price Elasticity: How does demand change with price variations? (e.g., discounts or price hikes, I will not buy “product X” if the price increases by 10%).
- Income Elasticity: How does demand change for the product as the incomes of consumers vary? (eg: If my income increased by 20%, would you buy more of this product x)
- Cross Elasticity: How demand for one product changes with changes in the price of a substitute or complementary product. (eg, does a competitor’s price change influence your decision to buy this product)

Prepare a report (500-1500 words).

1.2 Quizzes/Exams:

For testing CO-based learning domains.

CO2:

2.1 Assignment (Individual/ Group)

Select a small business around you (e.g., a bakery, farm, or local shop) and:

- Identify its factors of production (land, labour, capital, entrepreneurship).
- Assess how these factors influence its production process.
- Highlight any constraints or inefficiencies faced by the business.

Prepare a case study report (500 words-1000 words) detailing the above aspects.

Presentation can be conducted for this assignment (Group)

2.2 Quizzes/ Exams:

For testing CO-based learning domains.

CO3:

3.1 Assignment/ Presentation (Individual/ Group)

Select an industry or product that closely resembles the various forms of market. Compare the features of these market forms and observe whether the chosen examples satisfy them.

A report may be submitted, or a presentation can be conducted for this assignment.

3.2 Quizzes/Exams:

For testing CO-based learning domains.

CO4:

4.1 Essay on India's GDP trends over the years(individual)

Using data collected from sources such as the Economic Survey of India, Reserve Bank of India (RBI) Reports, World Bank and IMF data repositories, and Research papers and articles from reputed journals and publications, write an essay/report that will help understand and analyse India's GDP trends over the years (at least 10 years), identify the key drivers of growth, and explore the challenges hindering sustainable economic development.

Presentation can be conducted for this assignment (Group)

4.2 Quizzes/ Exams:

For testing CO-based learning domains.

ASSESSMENT

Continuous Comprehensive Assessment (CCA) - Maximum Marks: 30

Sl. No	Component	Activity	Max. Marks
1	Tests/ Quizzes		10
2	Assignments/ Survey/ Case Study Analysis/ Essay/ Report	Assessment methods specified in the syllabus	10
3	Assignments/ seminar/ viva voce/ case study analysis/ role play/ presentation	Assessments specified by the teacher (Assessment methods defined in the syllabus may also be used)	5
4	Group or individual presentation	Presentation of any of the assessment topics given in 2 and 3 above	5
Total Marks			30
(2, 3 and 4 may be done in such a way that at least one activity is given to measure each CO)			

End Semester Evaluation (ESE) - Maximum Marks: 70

Sl. No	Component	Activity	Max. Marks
1	Written Examination 2 hours	Short answer (four to five sentences) (a choice between two options for each question-answer five short answer questions, one from each pair (1a/1b, 2a/2b, 3a/3b, 4a/4b, 5a/5b).	5 X 3=15
		Short Essay (a choice between two options for each question-answer three short essay questions, one from each pair (6a/6b, 7a/7b, and 8a/8b).	3 X 5=15
		Long Essay (a choice between two options for each question-answer two long essay questions, one from each pair (9a/9b, 10a/10b)	2 X 20=40
Total Marks			70