<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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<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
  1. make investment decisions based on capital budgeting methods in alignment with microeconomic and macroeconomic theories.
  2. 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.
  3. gain knowledge on Monetary theory, measures by RBI in controlling interest rate and emerging concepts like Bit Coin.
  4. gain knowledge of elementary accounting concepts used for preparing balance sheet and interpretation of balance sheet

**Text Books**
References:

### Course Plan

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<tr>
<th>Module</th>
<th>Contents</th>
<th>Hours</th>
<th>Sem. Exam Marks</th>
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<tr>
<td>I</td>
<td>Business Economics 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>Basics of Micro Economics I 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>Basics of Micro Economics II 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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<td>V</td>
<td>Business Decisions I</td>
<td>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>Business Decisions II</td>
<td>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.