

## Veer Narmad South Gujarat University

F.Y.B.B.A. Semester-I

Effective from June 2011

### ELEMENTS OF ECONOMICS- I

**OBJECTIVES:**

The course has been so designed to expose the students to the fundamentals & essentials of economics & develop in them the skills to apply the same in this age of globalization & economic dominance.

**PADAGOGIC TOOLS:** Lectures, Practical examples from corporate & business world, assignments & presentations.

**COURSE CONTENT:**

Topics	Weightage
<p><b><u>I NATURE &amp; SCOPE OF ECONOMICS</u></b></p> <ul style="list-style-type: none"> <li>➤ Meaning of an Economic Problem</li> <li>➤ The problem of Scarcity</li> <li>➤ The problem of Choice</li> <li>➤ The problem of Efficiency               <ul style="list-style-type: none"> <li>Economic &amp; Non-economic activities</li> </ul> </li> <li>➤ Early definition of Economics</li> <li>➤ Economics as a science of Wealth: evaluation               <ul style="list-style-type: none"> <li>&amp; criticism of wealth definition of economics</li> </ul> </li> <li>➤ Economics as a science of Material Welfare:               <ul style="list-style-type: none"> <li>evaluation &amp; criticism of welfare definition of Economics</li> </ul> </li> <li>➤ Economics as a science of Scarcity: evaluation               <ul style="list-style-type: none"> <li>&amp; criticism of scarcity definition of economics</li> </ul> </li> <li>➤ Economics as a science of Growth &amp; Development</li> <li>➤ Micro Economics               <ul style="list-style-type: none"> <li>• Meaning</li> <li>• Subject matter</li> <li>• Advantages</li> <li>• Limitations</li> </ul> </li> <li>➤ Macro Economics               <ul style="list-style-type: none"> <li>• Meaning</li> <li>• Subject matter</li> <li>• Advantages</li> <li>• Limitations</li> </ul> </li> <li>➤ Interdependence between Microeconomics and Macroeconomics</li> </ul>	<p><b>30%</b></p>

<ul style="list-style-type: none"> <li>➤ Nature of Economics <ul style="list-style-type: none"> <li>• Economics as a science &amp; as an art</li> <li>• Economics as positive science &amp; normative science</li> </ul> </li> <li>➤ Scope of Economics</li> <li>➤ Relationship of economics with other disciplines</li> </ul> <p><b>II <u>DEMAND ANALYSIS</u></b></p> <ul style="list-style-type: none"> <li>➤ Meaning of Demand</li> <li>➤ (A) Types of demand <ul style="list-style-type: none"> <li>• Price demand</li> <li>• Income demand</li> <li>• Cross demand</li> </ul> </li> <li style="padding-left: 40px;">(B) Demand distinctions <ul style="list-style-type: none"> <li>• Demand for consumer's goods &amp; producer's goods</li> <li>• Demand for perishable goods &amp; durable goods</li> <li>• Firm &amp; Industry demand</li> <li>• Derived &amp; autonomous demand</li> <li>• Short-run &amp; long-run demand</li> <li>• Individual &amp; market demand</li> </ul> </li> <li>➤ Law of demand <ul style="list-style-type: none"> <li>• Demand function</li> <li>• Demand schedule</li> <li>• Market demand schedule</li> <li>• Demand curve</li> <li>• Assumptions of the law of demand</li> <li>• Reasons for the law of demand. Why does the demand curve slopes downward?</li> <li>• Exceptions to the law of demand or Perverse demand curve</li> <li>• Change in demand &amp; shift in demand</li> <li>• Determinants or factors affecting the demand schedule</li> </ul> </li> <li>➤ Demand forecasting <ul style="list-style-type: none"> <li>• Meaning &amp; significance</li> <li>• Types of forecasting</li> <li>• Steps in forecasting</li> <li>• Objectives of demand forecasting</li> <li>• Approaches to demand forecasting: Criteria of a good forecasting method</li> <li>• Methods of demand forecasting : Survey &amp; Statistical method</li> <li>• Importance of demand forecasting <ul style="list-style-type: none"> <li>Forecasting demand for new products</li> </ul> </li> </ul> </li> </ul>	<p><b>30%</b></p>
<p><b>III <u>SUPPLY ANALYSIS</u></b></p> <ul style="list-style-type: none"> <li>➤ Meaning of supply <ul style="list-style-type: none"> <li>• Stock &amp; supply</li> </ul> </li> <li>➤ Law of supply <ul style="list-style-type: none"> <li>• Supply function</li> <li>• Supply schedule</li> </ul> </li> </ul>	<p><b>20%</b></p>

<ul style="list-style-type: none"> <li>• Supply curve</li> <li>• Assumptions of the law of supply</li> <li>• Exceptions to the law of supply</li> <li>• Determinants or factors affecting supply</li> <li>• Change in supply &amp; shift in supply</li> </ul> <p><b>IV BUSINESS CYCLE</b></p> <ul style="list-style-type: none"> <li>➤ Definition of a Business Cycle</li> <li>➤ Features of a Business Cycle</li> <li>➤ Classification of a Business Cycle</li> <li>➤ Phases of a Business cycle <ul style="list-style-type: none"> <li>• Prosperity</li> <li>• Recession</li> <li>• Depression</li> <li>• Recovery</li> </ul> </li> <li>➤ Theories of Trade cycle <ul style="list-style-type: none"> <li>Control of Trade cycle</li> </ul> </li> </ul>	<b>20%</b>
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**Text and Reference Books:**

- 1) Modern Microeconomics: Theory & Application-H.L. Ahuja , Publisher Sultan Chand.
  - 2) Advanced Microeconomics Theory-M.J.Kennedy , Himalaya Publishing House.
  - 3) Principles of Economics-Prem Bhutani , Taxmann Allied Services (P) Ltd.
  - 4) Economics-Paul Samuelson William Nordhaus , Tata MacGraw-Hill.
  - 5) Introduction to Positive Economics-Richard Lipsey , Oxford University press.
  - 6) Principles of Economics – D. M. Mithani, Himalaya Publishing House.
  - 7) Introduction to Economics – Stephan Dobson, MACMILLAN.
  - 8) Managerial Economics – Analysis, Problems and Cases – P. L. Mehta Sultan Chand & sons.
  - 9) Essentials of Managerial Economics – P. N. Reddy, Himalaya Publishing House.
  - 10) Business Economics – H. L. Ahuja, Sultan Chand.
  - 11) Indian Economy – S. K. Misra, V. K. Puri, Himalaya Publishing House.
  - 12) Economics, The ICFAI University.
  - 13) Principles of Economics – M. L. Seth.
  - 14) Principles of Economics – N. Gregory MANKIW, Thomson South Western.
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