

**B. Com. Semester I**  
**Business Economics I - Syllabus**

<b>Unit</b>	<b>Title</b>	<b>Details of Topic</b>
Unit I	<b>Exploring the subject matter of economics</b>	Why study economics? The scope and method of economics; scarcity and choice; questions of what, how and for whom to produce and how to distribute output; the basic competitive model; prices, property rights and profits; incentives and information; rationing; opportunity sets; economic systems; reading and working with graphs.
Unit II	<b>Supply and Demand: How Markets Work, Markets and Welfare</b>	Individual demand and supply schedules and the derivation of market demand and supply; shifts in demand and supply curves; the role prices in resource allocation; the concept of elasticity and its application; consumer and producer surplus; taxes and their efficiency costs
Unit III	<b>Households</b>	The consumption decision: preferences and their representation with indifference curves; budget constraints; a consumer's optimum choice; income and substitution effects; labour supply and savings decisions.
Unit IV	<b>Firms and Perfect Market Structure</b>	Behaviour of profit maximizing firms and the production process; short-run costs and output decisions; costs and output in the long run
Unit V	<b>Imperfect Market Structure</b>	Monopoly and anti-trust policy; government policies towards competition; imperfect competition.
Unit VI	<b>Input Markets</b>	Labour and land markets; concepts of derived demand, input productivity and marginal revenue product and input demand curves; competitive input markets and public policy.
Unit VII	<b>Consumer Theory</b>	Preference; utility; budget constraint; choice; demand; Slutsky equation; buying and selling; choice under risk and intertemporal choice; revealed preference.
Unit VIII	<b>Production, Costs and Perfect Competition</b>	Technology; isoquants; production with one and more variable inputs; returns to scale; short run and long run costs; cost curves in the short run and long run; review of perfect competition.

**Books Recommended:**

1. Hal R. Varian, Intermediate Microeconomics: A Modern Approach, W.W. Norton and Company/Affiliated East-West Press (India), The workbook by Varian and Bergstrom may be used for problems.
2. C. Snyder and W. Nicholson, Fundamentals of Microeconomics, Cengage Learning (India)
3. B. Douglas Bernheim and Michael D. Whinston, Microeconomics, Tata McGraw-Hill (India)