

## BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

<b>V Semester: CSE   IT   ECE   EEE   ME   CE</b>								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
AHS015	<b>SKILL</b>	L	T	P	C	CIA	SEE	Total
		2	1	0	3	30	70	100
<b>Contact Classes: 45</b>		<b>Tutorial Classes: Nil</b>		<b>Practical Classes: Nil</b>			<b>Total Classes: 45</b>	
<p><b>COURSE OBJECTIVES:</b>  <b>The course should enable the students to:</b></p> <ol style="list-style-type: none"> <li>I. Understand the market dynamics namely demand elasticity of demand and pricing in different market structures.</li> <li>II. Analyze how capital budgeting decisions are carried out for selecting the best investment proposal.</li> <li>III. Learn how organizations make important investment and financing decisions.</li> <li>IV. Analyze a company's financial statements and come to a reasoned conclusion about the financial situation of the company.</li> <li>V. Acquire the basics of how to analyze and interpret the financial statements through ratio analysis.</li> </ol> <p><b>COURSE OUTCOMES(CO'S):</b></p> <p>CO 1: Understand microeconomic factors in related to demand analysis and its forecasting</p> <p>CO 2: Apply the theory of production function and Cost concepts to determine the Break Even Analysis.</p> <p>CO 3: Remember different market structures, pricing strategies and different forms business organization</p> <p>CO 4: Determine the investment decisions of organizations by applying capital budgeting methods and Strategies</p> <p>CO 5: Interpret the financial statement by using Fundamental accounting concepts and Ratio analysis</p> <p><b>COURSE LEARNING OUTCOMES(CLO'S):</b></p> <ol style="list-style-type: none"> <li>1. Describe the economic activities performed by the businessmen in the business for profit earning.</li> <li>2. Understand the significance of demand, its analysis, measurement of demand and its forecasting.</li> <li>3. Write the production function through Different Combination of variable inputs with Economies of Scale</li> <li>4. Analyze the Different cost concepts and determine the significance of Break Even Analysis</li> <li>5. Design and implement different structures of market covering how price is determined under different market structures</li> <li>6. Analyze different forms of business organizations existing in the modern business.</li> <li>7. Describe the allocation and sources of capital which plays a vital role in a business organization.</li> <li>8. Demonstrate the concept of capital budgeting and allocations of the resources through capital budgeting methods</li> <li>9. Interpret the financial position of business by applying accounting concepts and conventions.</li> <li>10. Apply the ratio Analysis to assess the operating efficiency and profitability of business.</li> </ol>								
<b>Unit – I</b>	<b>INTRODUCTION AND DEMAND ANALYSIS</b>						<b>Classes: 07</b>	
<p>Definition, nature and scope of business economics; Demand analysis; Demand determinants, law of demand and its exceptions; Elasticity of demand: Definition, types, measurement and significance of elasticity of demand, demand forecasting, factors governing demand forecasting.</p>								

<b>Unit – II</b>	<b>PRODUCTION AND COST ANALYSIS</b>	<b>Classes: 10</b>
Production function; Isoquants and isocosts, MRTS, least cost combination of inputs, Cobb-Douglas production function, internal and external economies of scale, cost analysis; Cost concepts: Break even analysis (BEA), determination of break-even point (simple problems), managerial significance.		
<b>Unit – III</b>	<b>MARKETS AND NEW ECONOMIC ENVIRONMENT</b>	<b>Classes: 08</b>
Types of competition and markets, features of perfect competition, monopoly and monopolistic competition, price-output determination in case of perfect competition and monopoly business. Features and evaluation of different forms of business organizations: Sole proprietorship, partnership, joint stock company, public enterprises and their types.		
<b>Unit – IV</b>	<b>CAPITAL BUDGETING</b>	<b>Classes: 10</b>
Capital and its significance, types of capital, estimation of fixed and working capital requirements, methods and sources of raising capital, capital budgeting: features of capital budgeting proposals; Methods of capital budgeting: Payback period, accounting rate of return (ARR), net present value method and internal rate of return method (simple problems).		
<b>Unit – V</b>	<b>INTRODUCTION TO FINANCIAL ACCOUNTING AND FINANCIAL ANALYSIS</b>	<b>Classes : 10</b>
Financial accounting objectives, functions, importance; Accounting concepts and accounting conventions - double-entry book keeping, journal, ledger, trial balance; Final accounts: Trading account, profit and loss account and balance sheet with simple adjustments; Financial analysis: Analysis and interpretation of liquidity ratios, activity ratios, capital structure ratios and profitability ratios (simple problems), Du Pont chart.		
<b>Text Books:</b>		
<ol style="list-style-type: none"> <li>1. Aryasri, “Managerial Economics and Financial Analysis”, TMH publications, 4<sup>th</sup> Edition, 2012.</li> <li>2. M. Kasi Reddy, Saraswathi, “Managerial Economics and Financial Analysis”, PHI Publications, New Delhi, 2<sup>nd</sup> Edition, 2012.</li> <li>3. Varshney, Maheswari, “Managerial Economics”, Sultan Chand Publications, 11<sup>th</sup> Edition, 2009.</li> </ol>		
<b>Reference Books:</b>		
<ol style="list-style-type: none"> <li>1. S. A. Siddiqui, A. S. Siddiqui, “Managerial Economics and Financial Analysis”, New Age International Publishers, Hyderabad, Revised 1<sup>st</sup> Edition, 2013.</li> <li>2. S. N. Maheswari, S. K. Maheswari, “Financial Accounting”, Vikas publications, 3<sup>rd</sup> Edition, 2012.</li> <li>3. J. V. Prabhakar Rao, P. V. Rao, “Managerial Economics and Financial Analysis”, Maruthi Publishers, Reprinted Edition, 2011.</li> <li>4. Vijay Kumar, Appa Rao, “Managerial Economics and Financial Analysis”, Cengage Publications, 1<sup>st</sup> Edition, Paperback, 2011.</li> </ol>		
<b>Web References:</b>		
<ol style="list-style-type: none"> <li>1. <a href="https://www.slideshare.net/glory1988/managerial-economics-and-financial-analysis">https:// www.slideshare.net/glory1988/managerial-economics-and- financial analysis</a></li> <li>2. <a href="https://thenthata.web4kurd.net/mypdf/managerial-economics-and-financial-analysis">https:// thenthata.web4kurd.net/mypdf/managerial-economics-and- financial analysis</a></li> <li>3. <a href="https://bookshallcold.link/pdfread/managerial-economics-and-financial-analysis">https:// bookshallcold.link/pdfread/managerial-economics-and-financial analysis</a></li> <li>4. <a href="https://www.gvpce.ac.in/syllabi/Managerial%20Economics%20and%20financial%20analysis">https:// www.gvpce.ac.in/syllabi/Managerial Economics and financial analysis</a></li> </ol>		

**E-Text Book:**

1. [https:// books.google.co.in/books/about/Managerial economics and financial analysis](https://books.google.co.in/books/about/Managerial_economics_and_financial_analysis)
2. [http://www. ebooktake.in/pdf/title/managerial-economics-and-financial analysis](http://www.ebooktake.in/pdf/title/managerial-economics-and-financial_analysis)
3. [http://all4ryou.blogspot.in/2012/06/mefa-managerial-economics and financial analysis](http://all4ryou.blogspot.in/2012/06/mefa-managerial-economics_and_financial_analysis)
4. [http://books.google.com/books/about/Managerial economics and financial analysis](http://books.google.com/books/about/Managerial_economics_and_financial_analysis)

