

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

III Semester: CSE / IT V Semester: EEE / ME / CE VI Semester: ECE								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
AHSB14	Core	L	T	P	C	CIA	SEE	Total
		3	0	0	3	30	70	100
Contact Classes: 45		Tutorial Classes: Nil		Practical Classes: Nil			Total Classes: 45	
<p>COURSE OBJECTIVES: The course should enable the students to:</p> <ol style="list-style-type: none"> I. Understand the market dynamics namely demand elasticity of demand and pricing in different market structures. II. Analyze how capital budgeting decisions are carried out for selecting the best investment proposal. III. Learn how organizations make important investment and financing decisions. IV. Analyze a company's financial statements and come to a reasoned conclusion about the financial situation of the company. V. Acquire the basics of how to analyze and interpret the financial statements through ratio analysis. <p>COURSE OUTCOMES(CO'S):</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>COURSE LEARNING OUTCOMES(CLO'S):</p> <ol style="list-style-type: none"> 1. Describe the economic activities performed by the businessmen in the business for profit earning. 2. Understand the significance of demand, its analysis, measurement of demand and its forecasting. 3. Write the production function through Different Combination of variable inputs with Economies of Scale 4. Analyze the Different cost concepts and determine the significance of Break Even Analysis 5. Design and implement different structures of market covering how price is determined under different market structures 6. Analyze different forms of business organizations existing in the modern business. 7. Describe the allocation and sources of capital which plays a vital role in a business organization. 8. Demonstrate the concept of capital budgeting and allocations of the resources through capital budgeting methods 9. Interpret the financial position of business by applying accounting concepts and conventions. 10. Apply the ratio Analysis to assess the operating efficiency and profitability of business. 								
Module – I		INTRODUCTION AND DEMAND ANALYSIS					Classes: 07	
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.								

Module – II	PRODUCTION AND COST ANALYSIS	Classes: 10
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.		
Module – III	MARKETS AND NEW ECONOMIC ENVIRONMENT	Classes: 08
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.		
Module – IV	CAPITAL BUDGETING	Classes: 10
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).		
Module – V	INTRODUCTION TO FINANCIAL ACCOUNTING AND FINANCIAL ANALYSIS	Classes : 10
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.		
Text Books:		
<ol style="list-style-type: none"> 1. Aryasri, “Managerial Economics and Financial Analysis”, TMH publications, 4th Edition, 2012. 2. M. Kasi Reddy, Saraswathi, “Managerial Economics and Financial Analysis”, PHI Publications, New Delhi, 2nd Edition, 2012. 3. Varshney, Maheswari, “Managerial Economics”, Sultan Chand Publications, 11th Edition, 2009. 		
Reference Books:		
<ol style="list-style-type: none"> 1. S. A. Siddiqui, A. S. Siddiqui, “Managerial Economics and Financial Analysis”, New Age International Publishers, Hyderabad, Revised 1st Edition, 2013. 2. S. N. Maheswari, S. K. Maheswari, “Financial Accounting”, Vikas publications, 3rd Edition, 2012. 3. J. V. Prabhakar Rao, P. V. Rao, “Managerial Economics and Financial Analysis”, Maruthi Publishers, Reprinted Edition, 2011. 4. Vijay Kumar, Appa Rao, “Managerial Economics and Financial Analysis”, Cengage Publications, 1st Edition, Paperback, 2011. 		
Web References:		
<ol style="list-style-type: none"> 1. https:// www.slideshare.net/glory1988/managerial-economics-and- financial analysis 2. https:// thenthata.web4kurd.net/mypdf/managerial-economics-and- financial analysis 3. https:// bookshallcold.link/pdfread/managerial-economics-and-financial analysis 4. https:// www.gvpce.ac.in/syllabi/Managerial Economics and financial analysis 		

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)

