

University of the Punjab

Course outline

Associated Degree in Commerce (Specialization in Accounting & Finance)

Semester	2		
Course Name	Business Economics		
Course Code	ADC312		
Credit Hours	03		
Prerequisites	There are no prerequisites for this course.		
Follow Up	No		
Objectives to achieve	<ul style="list-style-type: none"> To educate students with the basic principles of economics so that they use economic arguments in business decision making. To introduce students with the economic concepts and working pattern of the market economy that will help them in their professional development. To equip students with the professional, skilled-based tools that will make students more astute participant in the economy and increase their employment value and helpful in their practical life. 		
Teaching Strategies	e.g. <ul style="list-style-type: none"> i. Lectures ii. Handouts iii. Group discussions iv. Class-room presentations v. Projects and term paper vi. Quizzes vii. Case study, reading assignment 		
Assessment Criteria	Mid-term (Assessment by respective College)		Final Examination (Assessment by University of the Punjab)
	40 %		60 %
	Quizzes and Tests, Assignment and Presentations, Viva, Attendance, Class Participations and discipline etc.	Written Paper	Written Paper

Weekly Lecture Plan

Weeks	Topic	1. Detail
1	Introduction to Basic Economic Concepts.	<ol style="list-style-type: none"> 2. Introduction of the following basic concepts of economics 3. Concept of Scarcity, choice and wealth in Economics 4. Economic & Non-economic Goods 5. Positive Economics and Normative Economics 6. Concept of micro economics and macro economics 7. Individuals economizing problems 8. Society's economizing problem
2	How Markets Work: The Markets System	<ol style="list-style-type: none"> 1. Command System and its characteristics 2. The market system and its characteristics 3. Islamic Economic System
3& 4	The Market forces: Demand	<ol style="list-style-type: none"> 1. Concepts of Demand and quantity demand 4. Law of Demand, complete 5. Concept of change in Quantity Demand 6. Concept of change in Demand 7. Elasticity of Demand, its Measurements and interpretation 8. Price, Income and Cross Price Elasticity: Application / Practical Importance of concepts of Elasticity for Managers 9. Determinants of price elasticity of demand
4	The Market forces: Supply	<ol style="list-style-type: none"> 1. Concepts of Supply and Quantity Supply 2. Law of supply: Complete 3. Concept of change in Quantity Supply 4. Concept of change in Supply 5. Elasticity of Supply and its measurement and interpretation 6. Application of price elasticity of supply
5	Demand and Supply together: Market Equilibrium	<ol style="list-style-type: none"> 1. Market equilibrium, with the concepts of shortage and surplus 2. Concepts of change in market equilibrium due to shift in demand or supply or both curves.
6&7	Production and Cost of Production	<ol style="list-style-type: none"> 1. Concept of total production, average and marginal production, production function, property of diminishing marginal product 3. Concept of total cost, total revenue and profit 4. Cost in short run and long run 5. Cost as an opportunity cost: explicit cost, implicit cost 6. Various measure of cost, their shapes and characteristics: like fixed and variable cost, average and marginal cost
8	Market Models: pure competition	<ol style="list-style-type: none"> 1. Introduction and characteristics of perfect competition 2. Total, average and marginal revenue curves under perfect competition 3. Output and price determination: Marginal cost and marginal revenue approach 4. Firm behaviour: Profit maximization, loss minimization, shut down and normal profit
9&10	Monopoly	<ol style="list-style-type: none"> 1. Introduction and characteristics of monopoly 2. Total, average and marginal revenue curves under monopoly 3. Output and price determination Marginal cost and marginal

		revenue approach 4. Case of Profit and loss in the short run under monopoly
10&11	Monopolistic Competition an oligopoly	1. Introduction and characteristics of Monopolistic Competition 2. Total, average and marginal revenue curves under Monopolistic Competition 3. Output and price determination Marginal cost and marginal revenue approach 4. Monopolistic Competition and efficiency 5. Introduction of oligopoly and characteristics
12	Measuring a nation's income	1. Economies income and expenditures: circular flow diagram 2. Measurement of gross domestic product 3. Component of GDP 4. Real vs nominal GDP 5. Limitation of using GDP as a measure of quality of life
13	Savings and investment in National income accounts	1. Introduction: Income identity ($Y=C+G+I+N_x$) 2. Concepts of Consumption: Keynes psychological law of consumption 3. Concepts of saving: national, public, private 4. Concept of Investment: Autonomous and induced 5. Determinants of saving and investment
14 & 15	Measuring the cost of living	1. Introduction: inflation 2. Consumer price index: calculation interpretation and problems 3. Producer price index: calculation interpretation and problems 4. GDP deflator: calculation interpretation and problems 5. Correcting economic variables for the effects of inflation: Indexing , real and nominal interest rates
16	Unemployment	1. Introduction: definition ad concept (use statistics of Pakistan) 2. Measurement of unemployment: labour force, unemployment rate, labour force participation rate 3. Types of unemployment 4. Natural rate of unemployment

Primary Recommended Book	<ul style="list-style-type: none"> ○ N. Gregory Mankiw, "Principles of economics", Latest Edition ○ Campbell R. McConnell, Stanley L. Brue and Sean M. Flynn, "Microeconomics- Principles, Problems, and Policies" 19th Edition, McGraw-Hill Irwin.
Additional Books	<ul style="list-style-type: none"> ○ Pindyck Robert S, Rubinfeld Daniel L. (Latest Edition) "Micro Economics