

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS

II Year I Semester: CSE/IT/CSIT

Course Code	Category	Hours / Week			Credits	Maximum Marks		
		L	T	P		CIE	SEE	Total
A5HS06	HSMC	3	-	-	3	30	70	100

COURSE OBJECTIVES:

To enable the student to understand and appreciate, with a particular insight, the importance of certain basic issues governing the business operations namely; demand and supply, production function, cost analysis, markets, forms of business organizations, capital budgeting and financial accounting and financial analysis.

COURSE OUTCOMES:

At the end of the course, the student will

1. Understand the market dynamics namely, demand and supply, demand forecasting, elasticity of demand and supply, pricing methods and pricing in different market structures.
2. Gain an insight into how production function is carried out to achieve least cost combination of inputs and cost analysis.
3. Develop an understanding of
4. Analyze how capital budgeting decisions are carried out.
5. Understanding the framework for both manual and computerized accounting process
6. Know how to analyze and interpret the financial statements through ratio analysis.

UNIT-I Introduction & Demand Analysis:

Classes: 10

Definition, Nature and Scope of Managerial 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, methods of demand forecasting.

UNIT-II Production & Cost Analysis:

Classes: 10

Production Function - Isoquants and Isocosts, MRTS, Least Cost Combination of Inputs, Cobb-Douglas Production function, Laws of Returns, Internal and External Economies of Scale. Cost Analysis: Cost concepts. Break-even Analysis (BEA)-Determination of Break-Even Point (simple problems) - Managerial Significance.

UNIT-III Markets & New Economic Environment

Classes: 12

Types of competition and Markets, Features of Perfect competition, Monopoly and Monopolistic Competition. Price-Output Determination in case of Perfect Competition and Monopoly. Pricing: Objectives and Policies of Pricing. Methods of Pricing. Business: Features and evaluation of different forms of Business Organisation: Sole Proprietorship, Partnership, Joint Stock Company, Public Enterprises and their types, New Economic Environment: Changing Business Environment in Post-liberalization scenario.

UNIT-IV Capital Budgeting:

Classes: 14

Capital and its significance, Types of Capital, Estimation of Fixed and Working capital requirements, Methods and sources of raising capital - Trading Forecast, Capital Budget, Cash Budget. Capital Budgeting: features of capital budgeting proposals, Methods of Capital Budgeting: Payback Method, Accounting Rate of return (ARR) and Net Present Value Method (simple problems).

UNIT-V Introduction to Financial Accounting & Financial Analysis:

Classes: 14

Accounting concepts and Conventions - Introduction IFRS - Double - Entry Book Keeping, Journal, Ledger, Trial Balance - Final Accounts (Trasing Account, Profit and Loss Account and Balance Sheet with simple adjustments). Financial Analysis: Analysis and Interpretation of Liquidity Ratios, Activity Ratios, and Capital structure Ratios and Profitability ratios. Du Pont Chart.

Text Books:

1. Varshney & Maheswari: Managerial Economics, Sultan Chand, 2009.
2. S.A. Siddiqui & A.S. Siddiqui, Managerial Economics and Financial Analysis, New Age international Publishers, Hyderabad 2013.
3. M. Kasi Reddy & Saraswathi, Managerial Economics and Financial Analysis, PHI New Delhi, 2012.

Reference Books:

1. Ambrish Gupta, Financial Accounting for Management, Pearson Education, New Delhi, 2012.
2. H. Craig Peterson & W. Cris Lewis, Managerial Economics, Pearson, 2012.
3. Lipsey & Chrystel, Economics, Oxford University Press, 2012.
4. Domnick Salvatore: Managerial Economics In a Global Economy, Thomson, 2012.
5. Narayanaswamy: Financial Accounting - A Managerial Perspective, Pearson, 2012.
6. S.N. Maheswari & S.K. Maheswari, Financial Accounting, Vikas, 2012.
7. Truet and Truet: Managerial Economics: Analysis, Problems and Cases, Wiley, 2012.
8. Dwivedi: Managerial Economics, Vikas, 2012.
9. Shailaja & Usha: MEFA, University Press, 2012.
10. Aryasri: Managerial Economics and Financial Analysis, TMH, 2012.
11. Vijay Kumar & Appa Rao, Managerial Economics & Financial Analysis, Cengage 2011.
12. J.V. Prabhakar Rao & P.V. Rao, Managerial Economics & Financial Analysis, Maruthi Publishers, 2011.

