

BUSINESS ECONOMICS AND FINANCIAL ANALYSIS								
II Year IISemester								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
		L	T	P		C	CIE	SEE
A4HS06	HSMC	3	-	-	3	30	70	100
Course Outcomes:								
At the end of the course, the student will								
<ol style="list-style-type: none"> 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. Analyse how capital budgeting decisions are carried out. 5. Understanding the framework for both manual and computerised accounting process 6. Know how to analyse and interpret the financial statements through ratio analysis. 								
UNIT-I	Introduction & Demand Analysis:						Classes: 10	
Nature and Scope of Business Economics. Demand Analysis: Demand Determinants, Law of Demand and its exceptions. Elasticity of Demand: Types, Measurement and Significance of Elasticity of Demand. Demand Forecasting- methods of demand forecasting.								
UNIT-II	Production & Cost Analysis:						Classes: 10	
Production Function – Isoquants and Isocosts, MRTS, Least Cost Combination of Inputs, Laws of Returns, Internal and External Economies of Scale. Break-even Analysis (BEA)-Determination of Break-Even Point (simple problems) - Managerial Significance.								
UNIT-III	Markets & Forms of Business Organisations:						Classes: 12	
: Types of competition and Markets, Features of Perfect competition and Monopoly. 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, Limited companies.								
UNIT-IV	Capital Budgeting:						Classes: 14	
Methods and sources of raising capital - Capital Budgeting: 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 -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, and Capital structure Ratios and Profitability ratios.								

Text Books:

1. Aryasri: Managerial Economics and Financial Analysis, TMH.
2. Vijay Kumar & Appa Rao Managerial Economics & Financial Analysis, Cengage.
3. J. V. Prabhakar Rao & P.V. Rao Managerial Economics & Financial Analysis, Maruthi Publishers.

Reference Books:

1. Ambrish Gupta, Financial Accounting for Management, Pearson Education, New Delhi.
2. H. Craig Peterson & W. Cris Lewis, Managerial Economics, Pearson.
3. Lipsey & Chrystal, Economics, Oxford University Press, Domnick Salvatore: Managerial Economics In a Global Economy, Thomson.
4. Narayanaswamy: Financial Accounting—A Managerial Perspective, PHI, 2012.