**19MC2203-ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING**

(Common to EEE and ECE)

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| **Course Category:** | Mandatory course | **Credits:** | 0 |
| **Course Type:** | Theory | **Lecture-Tutorial-Practical:** | 3-0-0 |
| **Pre-requisite:** | Basics of economics & accountancy. | **Sessional Evaluation:**  **External Exam Evaluation:**  **Total Marks:** | 40  60  100 |

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| **Course Objectives:** | Students undergoing this course are expected to learn: | |
| 1. The causes of economic problems. 2. The behavior of a Consumer while purchasing and consuming various commodities and services. 3. The various production and cost concepts used in managerial decision making process. 4. The formation of different types of business organizations in India. 5. The application of the basic accounting concepts. 6. To evaluate and select profitable investment proposals | |
| **Course Outcomes:** | Upon successful completion of the course , the students will be able to | |
| CO1 | Demonstrate an ability to define, analyze and identify the appropriate solution to a business problem using sound economic and accounting principles. |
| CO2 | Know the role of various cost concepts in managerial decisions and the managerial uses of production function. |
| CO3 | Learn to take price and output decisions under various market structures. |
| CO4 | Understand in brief formalities to be fulfilled to start a business organization. |
| CO5 | Analyse the firm’s financial position with the techniques of economic aspects as well as financial analysis. |
| CO6 | Evaluate and select profitable investment proposals |
| **Course Content:** | **UNIT – I**  **BASIC CONCEPTS OF ECONOMICS**: Definition of Economics and basic micro and macro-economic concepts (including GDP/GNP/NI/Disposable Income). The concept of Demand-Law of demand – Elasticity of Demand: Types and measurement .Consumer’s equilibrium: Marginal Utility Analysis.  **UNIT – II**  **THEORY OF PRODUCTION AND COST**: Production function – Cobb – Douglas production function and its properties – Law of variable proportions – Law of Returns to Scale – Cost concepts – Revenue curves – Break-Even Analysis.  **UNIT-III**  **THEORY OF PRICING**: Classification of markets – Pricing under perfect Competition – Pricing under Monopoly – Price discrimination – Monopolistic Competition.  **UNIT-IV**  **TYPES OF BUSINESS ORGANIZATIONS:** Sole proprietorship, partnership and Joint Stock Company – Shares and debentures.  **BANKING SYSTEM**: Central bank, Commercial banks and their functions. Impact of technology in banking sector.  **UNIT-V**  **FINANCIAL ACCOUNTING**: Concepts and principles, Journal and Ledger, Trial Balance, Final Accounts: Trading account, Profit and Loss account and Balance sheet -Simple problems.  **UNIT-VI**  **FUNDAMENTAL CONCEPTS OF CAPITAL BUDGETING AND WORKING CAPITAL:** Meaning, process and Methods (Payback period, NPV, ARR & IRR- simple problems), Working Capital: operating cycle, factors and sources. | |
| **Text Books**  **&**  **Reference Books:** | **TEXT BOOKS:**   1. Varshney & Maheswari: Managerial Economics, S. Chand Publishers. 2. Business Organisations: C.B.Gupta , S.Chand Publishers. 3. Managerial Economics and Financial Accounting: A.R.Arya Sri, Tata McGraw Hills publishers.   **REFERENCE BOOKS:**   1. Economic Analysis: S.Sankaran, Margham Publications. 2. S.N.Maheswari & S.K. Maheswari, Financial Accounting, Vikas Publishers. 3. S. A. Siddiqui & A. S. Siddiqui, Managerial Economics & Financial Analysis, New age International Space Publications. | |
| **e-Resources:** | <http://nptel.ac.in/courses>  <http://freevideolectures.com/university/iitm> | |