# 19SH2103 - ENGINEERING ECONOMICS AND FINANCIAL ACCOUNTING

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| **Course Category:** | Basic Sciences | **Credits:** | 2 |
| **Course Type:** | Theory | **Lecture - Tutorial - Practical:** | 2-0-0 |
| **Prerequisite:** | Nil | **Sessional Evaluation:**  **Univ. Exam Evaluation:**  **Total Marks:** | 40  60  100 |
| **Objectives** | * Causes of economic problems. * Behavior of a Consumer while purchasing and consuming various commodities and services * Various production and cost concepts used in managerial decision making process * Formation of different types of business organizations in India. * Application of the basic accounting concepts | | |

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| **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 | Understand to take price and output decisions under various market structures. |
| CO4 | Know 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  **Introduction to Economics:** Definition of Economics and basic concepts of Micro and Macro-economics. The concept of Demand, Law of demand, Elasticity of Demand: Types and measurement, Demand Forecasting, Methods of Demand Forecasting.  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, Cost-Output Relations in Short run Long run, 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 Final Account Problems without Adjustments).  UNIT-VI  **Fundamental Concepts of Capital and Capital Budgeting:** Factors and Sources of Capital-Meaning, Process and Methods of Capital Budgeting (Payback Period, Npv, Arr & Irr- Simple Problems). | |
| **Text Books and References:** | 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. 4. M. Sugunatha Reddy: Managerial Economics and Financial Analysis, Research India Publication, New Delhi. | |
| **E-Resources** | 1. <https://nptel.ac.in/courses> 2. <https://freevideolectures.com/university/iitm> | |