

Syllabus
B. Com. (Business Economics)
(Sem.- III)

Title of Paper: Micro Economics of Factor Pricing

| Sr. No. | Heading | Particulars |
|---------|---|--|
| 1 | Description the course: Including but Not limited to : | This course provides an in-depth understanding of the factor price determination. It includes remuneration for the land, the labour, the capital and the entrepreneurial abilities in the form of rent, wages, interest and profit. It aware students regarding the classical and modern theories of determination of remuneration to various factors of production. |
| 2 | Vertical : | Major |
| 3 | Type : | Theory |
| 4 | Credit: | 2 credits (1 credit = 15 Hours for Theory or 30 Hours of Practical work in a semester) |
| 5 | Hours Allotted : | 30 Hours |
| 6 | Marks Allotted: | 50 Marks |
| 7 | Course Objectives: (List some of the course objectives) | <ol style="list-style-type: none"> 1. To make the students understand the fundamentals of remuneration of factors of production. 2. To make learners Identify different types of theories of factor remuneration. 3. To develop analytical skills of the learners with reference to the factor pricing in modern context. |
| 8 | Course Outcomes: By the end of the course, students will be able to: | <ol style="list-style-type: none"> 1. Understand the fundamentals of rent, wages, interest and profit. 2. Learn different approaches of factor price determination. 3. Analyze and apply factor pricing in modern context. |

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Syllabus**Module I: Rent and Wages****(15 hours)**

- Introduction- Demand and supply of land – Meaning of rent – Determination of Rent for Industrial and office spaces.
- Characteristics of labour -- demand for labour – Supply of labour –Equilibrium in labour market – Wage determination.
- Wage and productivity – Efficiency Wage Theory --Causes of wage differences – Nominal and real wages – Role of Technology and Skills in wage determination.

Module 2: Interest and Profit**(15 hours)**

- Definition of interest – Gross interest and net interest - Natural interest and market rate of interest.
- Liquidity preference theory - Modern theory of interest.
- Meaning of profit – Gross profit and net profit - Normal profit and Supernormal profit - - Innovation theory - Risk Bearing Theory of profit.

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References:

- Principles of Microeconomics N Gregory Mankiw, Cengage Learning, 6th Edition, Harvard University.
- Microeconomic Theory KPM Sundaram and M P Vaish, S. Chand Publications, New Delhi, 21st Edition.
- Micro Economics-K C Dash- Himalaya Publishing House
- Ahuja, H.L, Micro Economics, S. Chand
- Mehta P.K, Singh M.– Micro Economics– Taxmann Publication
- Micro Economics-T.R. Jain , B.D. Majhi, V.K. Global
- Browning, E.K. and J.M. Browning; Microeconomic Theory and Applications, Kalyani Publishers, New Delhi.
- Dwivedi, D.N. Micro Economics, Vikash Publication
- Maddala G.S. and E. Miller; Microeconomics: Theory and Applications, 11. McGraw-Hill International

11 **Internal Continuous Assessment: 40%****Continuous evaluation pattern**

| Continuous evaluation pattern | | |
|--------------------------------------|---|-----------------|
| 1 | Class Test Two (5 marks each) | 10 Marks |
| 2 | Assignment/ Project Presentation/ Case Study writing | 10 Marks |
| 3 | Book review/Newspaper review (in any language)/ Case Studies | 10 Marks |
| | Take any two of the above (from 1, 2 and 3) | 20 Marks |