BUSINESS ECONOMICS

Unit-IV

1. Law of supply:

The law of supply is a fundamental principal of economic theory which states that keeping other factors constant an increase in price results in an quantity supplied.

2. supply:

Supply refers to the amount of a good or services that the producers/ providers are willing and able to offer to the market at various prices during period of time.

3. Supply schedule:

Supply schedule is a chart that shows much product a supplier will have to produce to meet consumer demand at a specified price based on the supply curve.

4. Supply curve :

A change in any of these conditions will cause a shift in the supply curve.

5. Perfect competition:

Prof. frank knight expresses the term perfect competition as a competition of market in which there will be fluidity and mobility of factors of production that the number of firms and the size of firms can freely increase or decrease.

6. Monopolist:

Monopolist is a person or business that has monopoly .production by a monopolist is cheapest.

7.monopolistic competition:

Monopolistic competition is a term which is used interchangeability with imperfect completion as the former describes a conditions of imperfection.

8. point out any three Elasticity of demand :

* Perfectly elastic demand
* Perfectly inelastic demand
* Relatively elastic demand

9.Price elasticity of supply:

Price elasticity of supply = percentage of change in quantity supplied-percentages of change in price

10.oligopoly:

Oligopoly is a market structure with a small number of firms none of which can keep the others from having significant influence.

11. Categories of price elasticity of supply:

* Indefinitely elastic supply
* Elastic supply
* Unitary elasticity
* Inelastic supply
* Perfectly inelastic supply

12. Features of perfect completion:

* Large number of buyers and sellers
* In a perfectly competitive market those will be a large number of buyers and sellers
* The term large number of buyers and sellers has special significance in perfect competition

13. Determinants of price elasticity of supply:

* Time period
* Ability to store output
* Factor mobility
* Changes in marginal cost of production
* Excess supply
* Availability of infrastructure facilities
* Agricultural or industrial products

14. Similarties between the two approaches:

* Rationality assumption
* Proportionality rule
* Diminishing mu.and MRS
* Same conclusion

15. Indifference curve analysis:

* It dispenses with cardinal measurement of utility
* It explains the income effect and price effect criticism of in difference curve approach
* Away from reality
* All commodities are not divisible

16.monopoly and perfect competition:

* Description
* Buyers and sellers
* Supply
* Demand
* Product
* Nature of competition
* Price
* Output
* Profit
* application

17. Types of oligopoly:

* A few large firms
* Standardized or differentials product
* Substantial barriers to entry
* Mutual dependence between firms

UNIT-V

1.Ntional income:

The national dividend is that part of the objective income of the community of course income derived from abroad which can be measured in money.

2. National product:

The total value of all the goods services produced by a country during a particular period a year.

3. Net national product:

This refers to the net production of goods and services in a country during the year.

4. Computation of national income:

Consumption and capital formation constitute production or GNP =consumption +gross investment = consum + net investment + depreciation.

5. National income:

Quantity and quality of factors of production, political stability.

6. per capital income:

Percapital income shows what is available per head and not what is disturbed.

7. Public income:

Dalton define public finance as the science which is concerned with the income and expenditure ofg public authorities and with the adjustment of the one to the other.

8. fiscal policy :

In economic an d political science fiscal policies is the use of government revenue collection and expenditure to influence the economy.

9. public revenue:

Public revenue generally refers to governments revenue some important sources or concepts that are included in public revenue consists of taxes.

10. Method of computation national income:

* Product method
* Expenditure method

11. Mathods of computation national income:

* Census method
* Income method
* Expenditure method
* Agricultural
* Industrial
* Direct services
* Foreign transaction etc.

12. Concepts of national income:

* Gross domestic product
* Gross national product
* Net national product
* National income
* Personal income
* Disposable personal income

13. Importance of national income:

* Economic policy
* Economics structure
* Economic planning
* Inflationary and deflationary gaps
* National expenditure
* Distribution of grants in aid
* Standard of living

14. Components of national income:

* Consumer goods and services
* Gross private domestic income
* Goods produced
* Services rendered

15. Income inequality:

* Growth in technology widens income gap
* Gender close matter
* Personal factors
* Globalization

16. Measurement national income :

* Product approach
* Income approach
* Expenditure approach

17.fiscal policy for economic development:

* Taxation policy
* Public expenditure policy
* Development of public enterprises
* Encouragement to private sector
* Creation of infrastructure
* Public debt policy
* Internal debt
* External debt

18. Types of national income:

* Gross national product
* Net national product