SHAKUNTALA KRISHANA INSTITUTE OF TECHNOLOGY

ASSIGNMENT TITLE

YEAR 2025

Assignment - I.

SUBJECT :- Business Economics

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Partial fulfillment of award of bachelor of business administration (BBA)

Sub- Business Economics

Meaning and definition of Business Economics / Managerial Economics -

Business economics applies principles to business decision making. It helps organization allocate resources efficiently maximize profit and respond to market changes.

Definition -

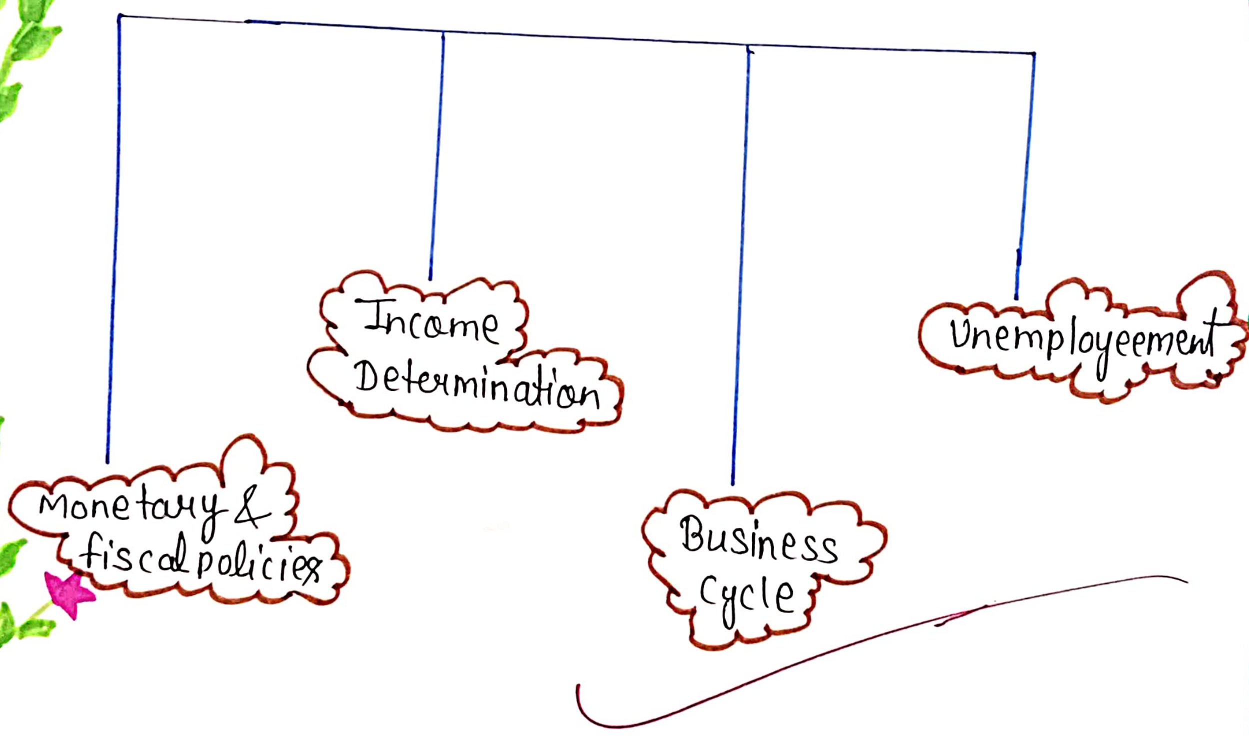
According to K.E. Boulding -
" Micro Economics is the study of particular firms, particular households, individual prices, wages, income, individual industries and particular commodities."

Nature / Features of Business Economics

- Business economics is micro economics.
- Business economics is normative.
- Business economics is art.
- Business economics is science.
- Business economics is realstic in nature.
- Business economics is include macro economics analysis.
- Business economics is interdisciplinary in nature.

Limitation of Business Economics

However micro economics has its limitations as well –



Fundamental of Economic Tools -

Fundamental economics tools include concepts like opportunity cost, marginal analysis time perspective and discounting for decision - making.

Fundamental Economics Tools

- Opportunity cost concept
- Incremental Concept
- Principle of time perspective
- Discounting principle
- Equi- Marginal
- marginal Principle
- scarcity Principle
- principle of risk and uncertaintity

Opportunity Cost Concept

The sacrifice of alternative the course of action for any decision is refered to as an opportunity cost.

Incremental Concept

The incremental concept is a business and economic decision-making tool that focuses on the additional costs and benefits arising from a specific decision or action, rather than total costs and benefits.

Equi – Marginal principle

The equi – marginal principle or Law of Equi-Marginal Utility is an economic concept that states a rational consumer will maximize their total utility by spending their limited income on various goods and services such that the marginal utility per dollar spent is equal for all items.

10/10

Radha
9/9/25