

CHAPTER 1: NATURE AND SCOPE OF BUSINESS ECONOMICS

S.NO	ECONOMIST NAME	DEFINITION
1	Adam Smith	1. Economics is an inquiry into the nature and causes of wealth of nations. 2. Economics is a science which deals with wealth.
3	Alfred Marshall	1. Economics is a study of mankind in the ordinary business of life. {Welfare Definition} 2. Law of Demand 3. Law of diminishing Utility <i>consumer surplus</i> 4. Time Element <sup>M</sup>
4	AC Pigou	1. Money Measurement concept (Measuring Rod) <i>'Pollution Tax'</i> 2. Price Discrimination 3. Modern business activities are based on the anticipations of business community and are affected by waves of optimism or pessimism. (CH-5)
5	Lionel Robbins	Scarcity Definition.
6	Paul A. Samuelson	Growth Definition. <i>'collective consumption'</i>
7	Joel Dean	Use of economic analysis to make business decisions involving the best use of an organization's scarce resources
8	Prof. Boulding	"Study of particular firm, particular household, individual price, wages, income, individual industries, particular commodities"-
9	Prof. Mc. Connel	"Macro Economics examines the Forest and not the Trees. Large aggregates"-
10	Karl Marx And Frederic Engles	1. Concept of socialist economy. 2. The Communist Manifesto in year 1848
Chapter 2: Theory Of Demand And Supply		
11	Hicks And Allen	1. Substitution Effect 2. Indifference Curve Analysis
12	James Duesenberry	Demonstration Effect
13	Thorstein Veblen	1. Veblen Effect 2. Conspicuous Consumption
14	Robert Giffen	Giffen Goods
15	Olaf Helmer	Delphi Technique
Chapter 3: Theory Of Production And Cost		
16	James Bates And J.R. Parkinson	"Production Is The Organized Activity Of Transformation Of Raw Material Into Finished G&S to Satisfy The Demand
17	Ricardo	Definition of land - indestructible and permanent
18	R.L. Marris	Maximize the firm balanced growth rate <i>(Theory of Firm)</i>
19	Schumpeter	Function of an entrepreneur is to do innovation
20	H.A. Simon	Satisficing behaviour
21	Baumol	Sales revenue maximization.
22	A.A. Berle & G.C. Means	Manager enjoy discretionary powers to set goals
23	Williamson	Maximisation of managerial utility function

Samuelson - Production Function

*cyber March*  
*- five eco goals*

### CA Foundation – Economics & BKC - Economist Summary

24	<i>Cyert &amp; March</i>	5 Goals - Profit goals, production goal, inventory goal, sales goal, market share goal
25	<i>Paul.H.Douglas &amp; C.W.Cobb</i>	Applies not to only individual firm but to the whole of manufacturing industry.
26	<i>Chamberlin</i>	Distinction between selling cost and production cost
27	<i>Frank Knight</i>	Profit is the reward for bearing uncertainties

#### Chapter 4: Meaning And Types Of Market

28	<i>Porf.Stigler</i>	Defined oligopoly
29	<i>Paul.A.Sweezy</i>	Kinked demand curve
30	<i>Cournot Model</i>	The firms control variable is output in contrast to price.
31	<i>Stackelberg Model</i>	The leader commits to an output before all other firms.
32	<i>Bertrand Model</i>	Price is control variable for firms and each firm is independently sets its price in order to maximize profits.

#### Chapter 5: Business Cycle

33	<i>Keynes</i>	Aggregate effective demand
34	<i>Schumpeter</i>	Innovation theory
35	<i>Jm Keynes</i>	Fluctuation in effective demand
36	<i>Nicholas Kaldor</i>	Cobweb theory - holds that business cycles result from the fact that present prices substantially influence the production at some future date.
37	<i>Hawtrey</i>	Trade cycle is purely monetary phenomenon

## Macro

'Income Determination' by Keynes in 'The General Theory of Employment Int & Money'

'Adam Smith' Bold advocate of Free Market / 'keynesian' Says Govt must Intervene

'Richard Musgrave' Public Finance

'George Akerlof' Lemon Problem

'Classic or Fisher Approach' - OTM Theory in Bank Purchasing Power of Money

'Marshall, Pigou, Keynes' gives Neoclassic / Cash Balance / Cambridge Approach

'Theory of Demand for Money' 'keynesian' / Liquidity Preference

'Baumol & Tobin' Inventory Approach to Transaction Balance Approach

'Friedman's' Restatement of Quantity theory

\* Primary Deficit = Fiscal Deficit - Int Liability