**UNIT-1**

**DEMAND ANALYSIS**

1. Meaning of Demand
2. Types of Demand: Individual and Market
3. Demand for Firm and Industry
4. Autonomous and Derived Demand
5. Durable and Non-Durable Goods
6. Short-Term and Long-Term Demand
7. Law of Demand
8. Demand Schedule: Individual and Market
9. Assumptions of Demand Analysis
10. Demand Function: Individual Demand Function and Market Demand Function
11. Demand Analysis: Reasons for Downward Slope and Factors Determining Demand (General, Additional Factors and Market Demand)
12. Exceptions to the Law of Demand
    1. Giffen Goods
    2. Viblen Goods
    3. Expectations of Price Changes in the Future
    4. Ignorance
    5. Emergencies
    6. Change in Fashion and Tastes and Preferences
    7. Bandwagon Effect
13. Expansion and Contraction of Demand
14. Shift in Demand Curves
15. Elasticity of Demand
16. Price Elasticity, Types of Price Elasticity of Demand
17. Elasticity and Total Revenue
18. Income Elasticity of Demand, Types of Goods: Normal Goods and Inferior Goods
19. Cross-Price Elasticity of Demand
20. Promotional Elasticity of Demand (Advertisement Elasticity)

**DEMAND FORECASTING**

1. Forecasting
2. Why is Forecasting Important?
3. General Characteristics
4. Classification of Demand Forecasts
   1. Active vs Passive
   2. Short-Run vs Long-Run
   3. Company vs Industry
   4. Durable vs Perishable
   5. Micro-Level vs Macro-Level
5. Steps in Demand Forecasting
6. Key Issues in Forecasting
7. Types of Forecasting Methods: Qualitative and Quantitative Methods

Qualitative Methods:

* 1. Consumer’s Opinion Survey
  2. Expert Opinion Method (Delphi Method)
  3. Collective Opinion Survey (Sales Force Opinion Survey Method)
  4. End-Use Method

1. Pick Forecasting Model
2. Time Series: Moving Average: Simple, Weighted
3. Trend: Linear Regression, Least Squares Method of Linear Regression
4. Mean Forecast Error and Mean Absolute Deviation
5. Criteria for good demand forecasting

**SUPPLY**

1. Law of Supply
2. Supply Schedule
3. Individual vs Market Supply
4. Determinants of Supply
5. Exceptions to the Law of Supply
   1. Expectations of Price Fall
   2. Sellers in need of cash
   3. While Leaving the Industry
   4. Agricultural Output
   5. Backward Sloping Supply Curve of Labour
6. Change in Supply vs Change in Quantity Supplied
7. Market Equilibrium
8. Market Disequilibria
9. Increases in Demand and Supply

**THEORY OF PRODUCTION**

1. Theory of Production
2. Production Function
3. Factors of Production: Land, Labour, Capital, Organization
4. Inputs: Fixed vs Variable
5. Various Concepts of Production
6. Laws of Production Function
   1. Law of Variable Proportion (Short Run Production Function)
   2. Law of Return to Scales (Long Run Production Function)

**COSTS OF PRODUCTION**

1. What are costs?
2. Total Revenue, Total Cost and Profit
3. Explicit and Implicit Costs
4. Economic Profit vs Accounting Profit
5. Fixed Costs vs Variable Costs
6. Internal Costs vs External Costs
7. Private Costs vs Social Costs
8. Negative vs Positive Externality
9. Fixed and Variable Costs
10. Marginal Cost
11. Cost Curves and their Shapes
12. Short Run Costs vs Long Run Costs
13. Economies of Scale, Diseconomies of Scale and Constant Returns to Scale
14. Return to Scale

**OBJECTIVES OF FIRM AND PRICE DETERMINATION**

1. Profit Maximization and Sales Maximization
2. Why Sales Maximization?
3. Types of Market Structure
4. Determinants of Market Structure
5. Characteristics of Perfect Competition
6. Revenue of a Competitive Firm
7. Profit Maximization
8. Profit Scenario
9. Shutdown vs Exit
10. Irrelevance of Sunk Costs
11. Entry and Exit in the Long Run
12. Zero Profit Condition: Long-Run Equilibrium
13. Why do Firms Stay in Business if P=0?
14. LR Market Supply Curve
15. Why it might slope upward?