

## Paper 4

### FUNDAMENTALS OF BUSINESS ECONOMICS AND MANAGEMENT (FBEM)

100 Marks

Module No.	Module Description	Weight
<b>Section A: Fundamentals of Business Economics</b>		<b>70%</b>
1	Basic Concepts	15%
2	Forms of Market	20%
3	Money and Banking	20%
4	Economic and Business Environment	15%
<b>Section B: Fundamentals of Management</b>		<b>30%</b>
5	Fundamentals of Management	30%

#### SECTION A: FUNDAMENTALS OF BUSINESS ECONOMICS

##### 1. Basic Concepts

- 1.1 The Fundamentals of Economics
- 1.2 Utility, Wealth, Production
- 1.3 Theory of Demand (Meaning, Determinants of Demand, Law of Demand, Elasticity of Demand - Price, Income and Cross Elasticity, Theory of Consumer Behaviour, Demand Forecasting) and Supply (Meaning, Determinants, Law of Supply and Elasticity of Supply), Equilibrium
- 1.4 Theory of Production (Meaning, Factors, Laws of Production - Law of Variable Proportion, Laws of Returns to Scale)
- 1.5 Cost of Production (Concept of Costs, Short-run and Long-run Costs, Average and Marginal Costs, Total, Fixed and Variable Costs)
- 1.6 Means of Production

##### 2. Forms of Market

- 2.1 Pricing of Products and Services in Various Forms of Markets – Perfect Competition, Duopoly, Oligopoly, Monopoly, Monopolistic Competition
- 2.2 Price Discrimination

##### 3. Money and Banking

- 3.1 Money - Types, Features and Functions
- 3.2 Banking - Definition, Functions, Utility, Principles
- 3.3 Commercial Banks, Central Bank
- 3.4 Measures of Credit Control and Money Market

#### 4. Economic and Business Environment

- 4.1 PESTEL (Political, Economic, Societal, Technological and Legal) Analysis
- 4.2 Emerging Dimensions of VUCAFU (Volatility, Uncertainty, Complexity, Ambiguity, Fear of Unknown and Unprecedentedness)

### SECTION B – FUNDAMENTALS OF MANAGEMENT

#### 5. Fundamentals of Management

- 5.1 Introduction to Management
- 5.2 Stewardship Theory and Agency Theory of Management
- 5.3 Planning, Organizing, Staffing and Leading
- 5.4 Communication, Co-ordination, Collaboration, Monitoring and Control
- 5.5 Organisation Structure, Responsibility, Accountability and Delegation of Authority
- 5.6 Leadership and Motivation – Concepts and Theories
- 5.7 Decision-making – Types and Process

