

**B.Com(Hons.): Semester-V**  
**DSE**  
**BCM523: Industrial Economics**

<b>Teaching Scheme</b>	<b>Examination Scheme</b>
Lectures: 4hrs/Week	Class Test – 12Marks
Tutorials: 1 hr/Week	Teachers Assessment – 6Marks
	Attendance – 12 Marks
	End Semester Exam – 70 Marks
<b>Credits: 5</b>	

**Objective**

Course exposes students to theory and analytical understanding of the industrial sector of the economy. This provides an introduction into the fundamental concepts, nature and scope of industrial economics and by market concentration analysis. It also discusses productivity studies with reference to the Indian industries and impact of government policies on the Indian industries since independence

**Learning Outcomes**

- On completing the course, the student shall be able to:
- 1: understand the basic concepts related to Industrial Economics.
  - 2: analyze the various forms of market structure.
  - 3: understand the concept and role of location analysis in development of Industrial sector.
  - 4: understand the concepts related to role of financial institutions in Industrial development.
  - 5: be able to demonstrate and explain various industrial productivity concepts and measurements.
  - 6: be able to examine the industrial development in India and government regulations.

**Unit I: Introduction**

**Industrial organisation and Ownership Structure**  
Nature and scope of Industrial Economics; Concepts in industrial Economics; industry, market, market structure, market conduct and Market Power-Organisational Structure of a Firm- Objectives of firms; Theories of the firm: Behavioural theory; The transaction cost theory; Resources based theory of the firm.

**Unit II: Market Structure and Market Concentration**

An overview of standard forms of market structure: Concept of Workable Competition; Definition of market concentration; Concentration indices; Market power measures; Concentration and market performance; Vertical integration: Types of vertical integration; Incentives to vertical integration; Effects of vertical integration for the economy; Merger: types; Motives for merger and implication for public policies.

**Unit III: Industrial Finance and Location Analysis**

Need of finance; Types of finance; sources of finance; Choice of funding; Development Banking: IDBI, IFCI and SFCs; Factors Influencing the Location of Industries; Theories of Industrial Location: Weber, Sargent Florence; Industrial location trends in India.

**Unit IV: Industrial Productivity**

Concept and measurement of productivity; Empirical evidence of productivity in Indian industries; Industrial sickness; Under-utilization of capacity; factors accounting for it and consequences.

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**Unit V: Industrial Development in India and Government Regulation**

Industrial structure at the time of Independence; Globalization and its impacts on industries; Recent trends in Industrial growth and diversification; International competitiveness of Indian industry; Privatization and issues relating to disinvestment policy; Need for or government intervention in industry; Industrial regulations in India.

**Suggested Readings**

- Ahluwalia, I. J. (1985). *Industrial Growth in India: Stagnation since the Mid-Sixties*. New Delhi: Oxford University Press.
- Cable, J. R. (1994). *Current Issues in Industrial Economics*. London: Macmillan.
- Ferguson, P. R., & Ferguson, G. (1994). *Industrial Economics: Issues and Perspectives*. New York: NYU Press.
- Hay, D. A., & Morris, D. J. (1991). *Industrial Economics and Organization: Theory and Evidence*. Oxford: Oxford University Press.
- Howe, W. S. (1978). *Industrial Economics: An Applied Approach*. London: Macmillan.
- Martin, S. (1994). *Industrial Economics: Economic Analysis and Public Policy*. New Jersey: Prentice Hall.
- Narayan, B. N. (1997). *Industrial Economics: A Special Study for Students of MBA, M.Com., and MA*. Bengaluru: Anmol Publications.
- Philips, L. (Ed.). (1998). *Applied Industrial Economics*. Cambridge: Cambridge University Press.