

Book Review

Business Economics (Second Edition) by Pramshu Nepal, Min Raj Poudel, Girdhari Prasad Lamichhne and Rishi Ram Gaire. Kathmandu: M.K. Publisher and distributors, 2012, Pages 385 (including references, old question and chapter wise question banks). Price: NRs 280.

The book under review is a scholarly product of Pramshu Nepal and others. They have put their sound knowledge and experience of teaching in the book. This is a reliable text book for the course MGT 203 Business Economics offered in Bachelor of Business Studies, first year, under Faculty of Management, Tribhuvan University, Nepal. It is fully based on the contents of this course such as demand analysis, utility analysis, cost revenue and supply curve, theory of production, product pricing, factor pricing, national income, theory of employment, consumption function, saving investment, trade cycle, inflation, monetary and fiscal policy. There are several text books available in the market for this course. But, the authors have claimed that this book aims to enable the students to understand the subject matter clearly and injects the necessary ideas of business studies in a fruitful manner.

The book has been organized in two parts and thirteen chapters. Part one incorporates seven chapters under the heading micro economics. The first chapter is the introduction of micro and macro economics that contains concept of micro economics, types, scope, importance and limitation, interdependency of micro and macro economics and difference between micro & macro economics. The second chapter contains the meaning, types and law of demand, demand function, determinants of demand, elasticity of demand and types, measurement of price, income and cross elasticity of demand, and use of different types of elasticity. The third chapter is about the utility analysis that provides concept of utility, types of utility, price line, indifference curve, consumer's equilibrium and effects of indifference curve. The fourth chapter includes the meaning, types and derivation of cost and revenue curves as well as concept of supply, short run and long run supply curves. The fifth chapter contains the concept of Iso-quants, Iso-cost line, law of production and least cost combination. The sixth chapter includes the concept of product pricing, meaning, features of perfect competitions, price and output determination under different markets (perfect competition, monopoly, and monopolistic competition market). The seventh chapter contains the meaning of factor pricing (Rent, Wages, Interest and Profit).

Part two of the book concerns 'Macro Economics' and has six chapters i.e chapter eight to thirteen. The eighth chapter is about national income. It consists of the meaning, definition, different concepts, measurement and difficulties of measurement of national income. The ninth chapter is theory of employment. It consists of the concept of employment, classical theory of employment, Keynesian theory of employment and superiority of Keynesian theory to the classical theory. The tenth chapter covers the area of consumption function, classification of propensity to consume, characteristic and determinants of consumption function, Keynesian psychological law of consumption, importance of psychological law of consumption and concept of multiplier. The eleventh chapter is about saving and investment. It includes the concept of saving, determinants of saving, paradox of thrift, concept of investment with its types and determinants, marginal efficiency of capital and factors influencing the

MEC. The twelfth chapter is devoted to the trade cycle, phases and effects of trade cycle and concept of inflation with characteristics, types, cause, effects, and remedies. The thirteenth or last chapter deals with the monetary and fiscal policy. It deals with the concept of monetary policy, objectives and significance of monetary policy in developing countries, and concept, objectives and significance of fiscal policy in developing countries.

Besides these chapters, the book also provides chapter wise questions including both short answer questions and long answer question. The book has also given space to T.U questions administered in 2063 to 2067 B.S. Similarly, the syllabus of the course included at the beginning has enriched the book with the necessary framework. Clearly mentioned teaching hours along with syllabus helps the teachers to plan for the course.

The language used in this book is simple and clear that help the students to grasp the subject matter easily. All contents are explained in a good manner by the authors. The physical aspect of this book is quite good but the price of the book is high to afford by the student from poor economic background. Similarly, there are some problems of margin. In academic aspect, there are some weaknesses in figures (e.g. page 206, 218, 222). Some spelling mistakes are also observed; and if taken into consideration, it would enhance the quality of the book. Nevertheless, the book is good enough and helpful to students, teachers, and all others who want to widen their knowledge in the contents covered in the book.

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