

Course Title: Managerial Economics

Course Code	: 17BA1T2	External Marks	: 60
Core / Elective	: Core	Internal Marks	: 40
Credits	: 3	Contact Periods	: 3
Year/Semester	: I year/I semester	Tutorial Periods	: 2

Course Objectives

Managerial Economics is concerned with thoroughly exposing the students:

1. To a rigorous foundation in microeconomics which becomes the basis for a way of thinking about managerial problems.
2. To examine market behavior and focus on the actions and reactions of business firms and consumers in a variety of market environments.
3. To emphasize the quantitative and qualitative applications of economic principles to business analysis.

Course Outcomes

The students will be able to:

1. Define micro, as well as macroeconomic concepts that are useful in business decision making.
2. Outline various business situations with the help of various economic concepts.
3. Relate the application of modern principles and methods of microeconomics to real-world business problems in different contexts.
4. Explain the basic tools of microeconomics: supply and demand analysis; firms' production and pricing decisions, market equilibrium and market structure analysis.
5. Develop a framework for understanding the role and consequences of government policy in a market economy.

Unit 1- Introduction to Managerial Economics: Definition- Nature and Scope-Relationship with other areas in Economics; Basic economic principles – Concept of opportunity cost- Incremental concept- Scarcity- Marginalism, Equi-marginalism - Time perspective – Discounting principle - Risk and uncertainty, The role of managerial economist and Managerial decision making.

Unit2-Theory of Demand: Demand analysis, Demand determinants - Elasticity of demand – Types and significance of elasticity of demand – Measurement of price elasticity of demand - Need for demand forecasting - Forecasting techniques; Supply analysis – Supply function, the law of supply, Elasticity of supply.

Unit 3- Production & Cost Analysis: Production function- Marginal Rate of Technical Substitution-Production function with one/two variables- Law Returns to Scale- Cobb-Douglas Production Function and Returns to Factors. **Cost concepts** –cost output relationship in the short run and long run – Saucer shaped short-run Average cost curves–Average total cost curve.

Unit 4- Market Structure and Pricing practices: Features and Types of different Markets – Price output determination in Perfect competition, Monopoly, Monopolistic

competition and oligopoly both in the long run and short run; Pricing methods in practice.

Unit 5- Profit Management & Macro Economic Variables: Profit- Nature and Scope - Theories of profit including modern theory - - Macro economic variables - National income Measurement policies – Business cycles.

Case Study: Compulsory. Relevant cases have to be discussed in each unit.

Reference Books

1. Ahuja H.L.: “Managerial Economics”, S Chand & Company Limited, New Delhi, 2012.
2. Varshney R.L. and Maheswari, K L: “Managerial Economics”, Sultan Chand and Sons, New Delhi, 2002.
3. Dwivedi D.N.: “Managerial Economics”, Vikas Publishing House Private Limited, New Delhi, 2009.
4. Dominick Salvatore: “Managerial Economics”, Oxford University Press, New Delhi, 2009.
5. Hirschey, “Economics for Managers”, Cengage Learning, New Delhi, 2009
6. Justin Paul, Leena Kaushal, Sebastian VJ,” Managerial Economics”, Cengage Learning, New Delhi, 2012.
7. Mithani D. M., “Managerial Economics”, Himalaya Publishing House, Mumbai, 2008.
8. NarayananNadarE., Vijayan, “Managerial Economics”, PHI Private Limited, New Delhi, 2009.
9. Siddiqui S. A., Siddiqui A S: “Managerial Economics and Financial Analysis”, New Age International Publishers, New Delhi, 2008.
10. Trivedi M.L. “Managerial Economics”, Tata Mc-GrawHill, New Delhi, 2004.