Managerial Economics and Financial Analysis

Course Code	23HS1401	Year	II	Semester	II
Course Category	Management Course - 1	Offering Branch	ME	Course Type	Theory
Credits	2	L-T-P	2-0-0	Prerequisites	Nil
ContinuousInternal Evaluation	30	Semester End Evaluation	70	Total Marks	100

Course Outcomes		
Upon successful completion of the course, the student will be able to		BL
CO1	Understand basics of managerial economics, demand forecasting, cost analysis, industrial organization, financial accounting and capital and capital budgeting.	L2
CO2	Understand the concepts of managerial economics, e-commerce, demand forecasting and cost analysis techniques in economics related problems.	L2
CO3	Illustrate different types of industrial organization.	L3
CO4	Solve the financial accounting and depreciation related problems.	L3

Contribution of Course Outcomes towards achievement of Program Outcomes &Strength of correlations (H: High (3), M: Medium (2), L:Low (1))													
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PSO1	PSO2
CO1	3					2	3			3		3	
CO2	3					2	3			3		3	
CO3	3					2	3			3		3	
CO4	3					2	3			3		3	

Syllabus		
Unit No.	Content	Mapped CO
1	**Introduction to Managerial Economics**: Introduction, characteristics, scope & definition of Managerial Economics, its relation with other subjects, Basic economic tools in Managerial Economics. Demand Analysis: Meaning- Demand distinctions- Demand determinants- Law of Demand and its exceptions. **Elasticity of Demand & Demand Forecasting**: Definition -Types of Elasticity of demand - Measurement of price elasticity of demand and its significance: Total outlay method, Point method and Arc method. Demand Forecasting: Meaning - Factors governing demand forecasting - Methods of demand forecasting.	CO1
2	**Theory of Production and Cost Analysis:** **Introduction to Markets-Pricing Policies & Ecommerce**: Production Function- Isoquants and Isocosts, Law of variable proportions- Law of returns to scale- Least Cost Combination of Inputs, Cobb-Douglas Production function-Economies of Scale. **Cost Analysis**: Cost concepts, Determination of Break Even Point (BEP), Managerial Significance and limitations of BEP. Market structures: Types of	CO1,CO2

	competition, Features of Perfect Competition, Monopoly and Monopolistic Competition. Pricing strategies.	
3	**Types of Industrial Organization & Introduction to Business Cycles**: Characteristic features of Industrial organization, Features and evaluation of Sole Proprietorship, Partnership, Joint Stock Company, State/Public Enterprises and their types. Changing business environment in post-liberalization scenario.	**CO1,CO3**
4	**Financial Management and Introduction to Financial Accounting**: Functions of financial management, simple and compound interest, Methods of evaluating alternatives- Present Worth method, Future worth Method, Annual equivalent method (Simple problems). Introduction to Double-entry system (Theory only).	**CO1,CO4**
5	**Depreciation**: Introduction, common methods of depreciation: straight line method, Declining balance method, sum of year's digits method (Simple problems). **Capital and Capital Budgeting**: Meaning of capital budgeting, Need for capital budgeting – Capital budgeting decisions (Examples of capital budgeting) - Methods of Capital Budgeting: Payback Method, Accounting Rate of Return (ARR), IRR and Net Present Value Method (simple problems).	**CO1,CO4**

Learning Recourse(s)
Text Book(s)
1. R. Panneerselvam, Engineering economics, 2nd Ed., PHI Learning Pvt. Ltd., 2013 . 2. J.V.Prabhakar Rao, Managerial Economics and Financial Analysis, Maruthi Publications, 2011.
Reference books
1. A R Aryasri, Managerial Economics and Financial Analysis, TMH 2011. 2. SN Maheswari,SK Maheswari, Financial Accounting, Vikas Publishing House Pvt Ltd., NewDelhi, 4th Ed., 2006. 3. Suma damodaran, Managerial Economics, Oxford 2011. 4. S.A. Siddiqui & A.S. Siddiqui, Mangerial Economice and Financial Analysis, New Age International Publishers, 2011. 5. Theusen & Theusen, Engineering economy,8th Ed., 1993,Prentice Hall.
e- Resources & other digital material
1 . www.tectime.com 2. www.exinfm.com 3. www.economywatch.com