

MANAGERIAL ECONOMICS

I Semester: MBA								
Course Code	Category	Hours / Week			Credits	Maximum Marks		
CMBB03	Core	L	T	P	C	CIA	SEE	Total
		4	-	-	4	30	70	100
Contact Classes: 45	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 45			
<p>OBJECTIVES: The course should enable the students to:</p> <ol style="list-style-type: none"> I. Understand the basic economic principles, forecast demand and supply. II. Analyze the price elasticity of demand for company products; Investors can engage the sustainability of the company. III. Estimate cost and understand market structure and pricing practices. IV. Apply quantitative techniques to business decisions using economic concepts such as supply and demand, price elasticity and marginal analysis. <p>COURSE OUTCOMES:</p> <ol style="list-style-type: none"> 1. Apply economic principles and methodologies to key management decisions within the organizations and foster the goals of the organization 2. Identify the nature and scope of managerial economics in the modern business 3. Understand the fundamentals of managerial economics such as demand, production, price and supply which helps them in doing business effectively 4. Know about the marketing research approaches to demand estimation in demand forecasting and its function in an organization 5. Evaluate benefit/cost, life cycle and breakeven analyses on one or more economic alternatives 6. Analyze various forms of production function like Isoquant and Isocost and finding out optimal combinations of inputs including the Cobb-Douglas function. 7. Discuss the economies of scale, diseconomies of scale, economies of scope, and cost complementarities, and how each affects the cost of production 8. Examine the cost function and differences between short-run and long-run cost function 9. Demonstrate the cost efficient method of producing components which are better sourced from other companies 10. Recognize the industry structure at firm level to develop production strategies with profit maximization. 11. Elucidate the basic market models of perfect competition, imperfect competition, and how price and output are determined in each model 								
UNIT-I	INTRODUCTION TO MANAGERIAL ECONOMICS						Classes:10	
Definition, nature and scope, Relationship with other areas in economics, production management, marketing, finance and personnel, Operations research, The role of managerial economist, Basic economic principles: the concept of opportunity cost, incremental concept, scarcity, marginalism, Equi marginalism, time perspective, discounting principle, risk and uncertainty.								
UNIT-II	THEORY OF DEMAND						Classes:08	

Demand Analysis, Elasticity of demand: types and significance of elasticity of demand, Demand estimation, Marketing research approaches to demand estimation, Need for forecasting, forecasting techniques, Supply Analysis, Supply function, the law of supply, elasticity of supply.

UNIT-III PRODUCTION ANALYSIS

Classes:09

Production function, Production functions with one and two variables, Cobb-Douglas production function.

Marginal rate of technical substitution, ISO-quant's and ISO-costs, returns to scale and returns to factors, economies of scale, Innovations and global competitiveness.

UNIT-IV COST THEORY AND ESTIMATION

Classes:08

Cost concepts, determinants of cost, cost output relationship in the short run and long run, short run vs. long run costs, average cost curves, overall cost leadership.

UNIT-V MARKET STRUCTURE AND PRICING PRACTICES

Classes:10

Features and types of different competitive situations, price output determination in perfect competition, monopoly, monopolistic competition and oligopoly both the long run and short run; Pricing philosophy.

Text Books:

1. Craig H. Petersen. Cris Lewis and Sudhir K. Jain:“*Managerial Economics*”, 14th edition Pearson,2012.
2. ‘Dominick Salvatore Managerial Economics 7th Edition Oxford 2012.
3. Geetika, “Managerial Economics”, 2nd Edition, TMH, 2012.

Reference Books:

1. G S Gupta, Managerial Economics, 2nd edition, TMH, 2012.
2. H. L. Ahuja, Managerial Economics, S. Chand, 2012.
3. D.N. Dwivedi, Managerial Economics, Vikas, 2012.

Web References:

1. <http://2012books.lardbucket.org/pdfs/managerial-economics-principles.pdf>
2. http://library.wub.edu.bd/assets/images/repository/Managerial_Economics.pdf

E-Text Books:

1. <https://www.amazon.in/Managerial-Economics-Yogesh-Maheshwari-ebook/dp/B00K7BMJQA>
2. <http://www.studynama.com/community/threads/485-Managerial-economics-ebook-lecture-notes-pdf-download-for-MBA-students>