

MANAGERIAL ECONOMICS

| I Semester: MBA | | | | | | | | |
|--|---|-----------------------------|----------|-------------------------------|----------|---------------|--------------------------|--------------|
| Course Code | Category | Hours / Week | | | Credits | Maximum Marks | | |
| CMBC03 | Core | L | T | P | C | CIA | SEE | Total |
| | | 3 | 1 | - | 4 | 30 | 70 | 100 |
| Contact Classes: 45 | | Tutorial Classes: 15 | | Practical Classes: Nil | | | Total Classes: 60 | |
| I. COURSE OVERVIEW: | | | | | | | | |
| <p>This course helps to understand the economic goals of firm and optimal decision making. Managerial economics considers macroeconomic factors such as population growth and economic growth in market. It includes production management, Demand and supply, cost of production, market structure pricing, pricing strategies and output decision. It deals with tools of math's and statistics in order to analyse and make optimal decision making.</p> | | | | | | | | |
| II. COURSE OBJECTIVES: | | | | | | | | |
| The students will try to learn: | | | | | | | | |
| <ol style="list-style-type: none"> I. The application of economic theory and methodology as alternative in managerial decisions in an organization. II. Quantitative techniques to business decisions using economic concepts such as supply and demand, price elasticity and marginal analysis. III. Production function that helps organization to do business efficiently. IV. The price to charge that maximizes profits under a variety of circumstances, including perfect and imperfect competition and when the firm can identify groups' of consumers. V. Competition strategies, including costing, pricing, product differentiation, and market. Environment according to the natures of products and the structures of the markets. | | | | | | | | |
| III. COURSE OUTCOMES: | | | | | | | | |
| After successful completion of the course, students will be able to: | | | | | | | | |
| CO 1: | Define economic principles and methodologies to key management decisions within the organizations. | | | | | | | |
| CO 2: | Demonstrate the nature and scope of managerial economics in the modern business to foster the goals of the organization. | | | | | | | |
| CO 3: | Identify the fundamentals of managerial economics such as demand, production, price and supply which helps in doing business effectively. | | | | | | | |
| CO 4: | Examine about the marketing research approaches to demand estimation in demand forecasting. | | | | | | | |
| CO 5: | Evaluate benefit/cost, life cycle and break even analyses on one or more economic alternatives. | | | | | | | |
| CO 6: | Discuss various forms of production functions to know its affects in the cost of production. | | | | | | | |
| CO 7: | Understand the cost concepts and determinants of cost for the fixation of manufacturing cost of product. | | | | | | | |
| CO 8: | Examine the cost function and compare the differences between short-run and long-run cost function. | | | | | | | |
| CO 9: | Know about the concept of market structures and identify the different market structures to gain competitive advantage of the firm. | | | | | | | |
| CO 10: | Summarize the industry structure at firm level to develop pricing strategies with profit maximization. | | | | | | | |
| IV. SYLLABUS: | | | | | | | | |
| UNIT-I | INTRODUCTION TO MANAGERIAL ECONOMICS | | | | | | Classes:10 | |
| <p>Definition, nature and scope, relationship with other disciplines, business decision making process. The role of managerial economist, basic economic principles, the concept of opportunity cost, marginalism, equi-marginalism, incremental concept, time perspective, discounting principle, risk and uncertainty.</p> | | | | | | | | |

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| UNIT-II | THEORY OF DEMAND AND SUPPLY | Classes:08 |
| Demand Analysis - demand function, law of demand, determinants of demand, and types of demand. Elasticity of demand, types, measurement and significance of elasticity of demand. Demand forecasting, need for demand forecasting, methods of demand forecasting. Supply – Supply function, determinants of supply, law of supply, elasticity of supply. | | |
| UNIT-III | PRODUCTION AND COST ANALYSIS | Classes:09 |
| Production function, production function with one, two variables, Cobb-Douglas production function, Marginal Rate of Technical Substitution, Isoquants and Isocosts, returns to scale, economies of scale - innovations and global competitiveness. Cost concepts, determinants of cost, cost-output relationship in the short run and long run, short run vs. long run costs, average cost curves, break even analysis. | | |
| UNIT-IV | MARKET STRUCTURES- PRICING AND OUTPUT DECISIONS | Classes:08 |
| Classification of Market Structures - Features - competitive situations - Price-Output determination under Perfect competition, Monopoly, Monopolistic competition and Oligopoly - both the long run and short run. | | |
| UNIT-V | PRICING STRATEGIES | Classes:10 |
| Pricing Policy, Price Discrimination, Cost Plus Pricing, Pricing of multiple products, Transfer pricing, Pricing over Product Life Cycle. Theory of Firm - Managerial Theories and Behavioral Theories of firm. International Price Discrimination: Dumping, Effects of Dumping. | | |
| Text Books: | | |
| <ol style="list-style-type: none"> 1. TR Jain and Khanna OP, “Managerial Economics”, VK Global Publications Pvt Ltd, 1st Edition, 2020. 2. G Keat, Young K Y, Erfile E, Benarjee S, “Managerial Economics”, Pearson Education, 6th Edition, 2017. 3. H L Ahuja, “Managerial Economics – Analysis of managerial Decision making”, S. Chand publications, New Delhi, 2nd Edition, 2017. 4. P L Mehta – “Managerial Economics-Analysis, problems and Cases”, Sultan Chand & Sons, New Delhi, 2nd Edition, 2016. 5. Dwivedi D N, “Managerial Economics”, Vikas Publishing House Pvt Ltd, 8th Edition, 2015. 6. R.L. Varshney & K.L. Maheshwari, “Managerial Economics”, Sultan Chand & Sons, New Delhi, 3rd Edition, 2014. 7. P.L Mehta, "Managerial Economics", Sultan Chand and Sons, 2nd Edition, 2014. 8. Dr. D.M. Mithani, “Managerial Economics”, Himalaya Publishing House, 1st Edition, 2010. | | |
| Reference Books: | | |
| <ol style="list-style-type: none"> 1. D M Mithani “Managerial Economics: Theory and Applications”, Himalaya Publication house, Hyderabad, 2nd Edition, 2016. 2. G S Guptha, “Managerial Economics”, Tata McGraw Hill Publications, New Delhi, 2nd Edition, 2017. | | |
| Web References: | | |
| <ol style="list-style-type: none"> 1. https://www.google.co.in/books/Edition/Managerial_Economics/9clcDwAAQBAJ?hl=en&gbpv=1&dq=Managerial+Economics&printsec=frontcover 2. https://www.google.co.in/books/Edition/Managerial_Economics_8th_Edition/H7FDDAAAQBAJ?hl=en&gbpv=1&dq=Managerial+Economics&printsec=frontcover 3. https://www.google.co.in/books/Edition/MANAGERIAL_ECONOMICS/Q53GDgAAQBAJ?hl=en&gbpv=1&dq=Managerial+Economics&printsec=frontcover | | |
| E-Text Books: | | |
| <ol style="list-style-type: none"> 1. https://www.sxccal.edu/wp-content/uploads/2020/01/MBA-Accounting-Managers-1stYear.pdf 2. https://www.freebookcentre.net/business-books-download/Accounting-Tools-For-Business-Decision-Making.html 3. https://pingpdf.com/pdf-managerial-economics-by-t-r-jain-free-pdf-download.html 4. https://mrcet.com/downloads/MBA/Managerial%20Economics.pdf 5. https://www.academia.edu/34707649/Managerial_Economics_Textbook | | |