

20BB104 MANAGERIAL ECONOMICS

Hours Per Week :

| L | T | P | C |
|---|---|---|---|
| 4 | - | - | 4 |

Total Hours :

| L | T | P |
|----|---|---|
| 50 | - | - |

COURSE DESCRIPTION AND OBJECTIVE:

To make the students familiar with the basic concepts and principles of business economics. Students will learn nature and scope of managerial economics demand analysis, theory of production, cost analysis and different markets and pricing methods.

COURSE OUTCOMES:

Upon completion of the course, student will able to achieve the following outcomes:

| COs | Course Outcomes | POs |
|-----|---|-----|
| 1 | Apply the economic way of thinking to individual decisions and business decisions. | 1,2 |
| 2 | Appraise the determinants of Demand and forecasting techniques. | 5 |
| 3 | Compare and contrast different types of production functions. | 2 |
| 4 | Differentiate the different costs of production and how they affect short and long run decisions. | 3 |
| 5 | Examine how prices get determined in different market structures. | 6 |

SKILLS :

- ✓ To conduct a survey on the practical application of laws of economics.
- ✓ To collect data on sales of consumer durable goods and predict the sales for a later year.
- ✓ To find different case studies relating to different market conditions and to do an analysis.
- ✓ To find out low demand differentiates between normal and inferior goods.
- ✓ To analyze the role of a business economist in the everyday functioning of an organization taking live examples

UNIT - I**L-10**

Introduction to Economics: Definition- wealth, welfare and scarcity definitions, scope of economics, Definition, Nature and Scope of Managerial Economics. Basic Economic concepts –Opportunity cost principle, Discounting principle, Time perspective principle, incremental principle. Micro and Macro Economics.

UNIT - II**L-10**

Consumer Demand Analysis: Meaning and types of Demand, Demand function, Demand determinants, Law of Demand, Elasticity of Demand – Income elasticity, price elasticity. Demand Forecasting-kinds and methods

UNIT - III**L-10**

Production Analysis: Production, production function-General and Specific production function, iso-quant, iso-cost , least-cost combination of input factors, MRTS , Laws of Production – law of Variable proportions and Laws of Returns of Scale.

UNIT - IV**L-10**

Cost Analysis: Cost Analysis – Types of costs-Total cost ,Average cost and Marginal cot, Fixed cost, Variable cost and Semi variable cost, Acquisition cost and opportunity cost, Book cost and Out-Of-pocket cost, Historical and Replacement cost, Seperable and Common cost, Past and Future cost, Short-run and Long-run cost, cost function, cost-output relationship in the short-run and in the long-run. Break-even analysis –schedule, chart and simple problems.

UNIT - V**L-10**

Market Structure: Market, Market structure, Perfect competition – Meaning, Features and Equilibrium of firm and industry under perfect competition, imperfect competition – Features of monopoly and monopolistic competition. Price, Pricing, and Methods of pricing.

TEXT BOOKS:

1. Maheshwari K. L. , Varshney R.L. , Managerial Economics, 22nd Revised Edition 2014, Sultan Chand & Sons

REFERENCE BOOKS:

1. Dominick Salvatore, Managerial Economics in a global economy, Indian Edition; Fourth Edition, McGrawHill.
2. Craig H Peterson, W.Cris Lewis, Sudhir.k.Jain; Managerial Economics, Pearson Publications.
3. P.L.Mehta; Managerial Economics, Sultan Chand Sons.
4. M.L.Trivedi; Managerial Economics Theory and Applications, McGrawHill.