

MANAGERIAL ECONOMICS			
Course Code	20MBA12	CIE Marks	40
Teaching Hours/Week (L:T:P)	3:0:2	SEE Marks	60
Credits	04	Exam Hours	03

**Course Objectives:**

1. To introduce the fundamentals, tools and theories of managerial economics.
2. To provide an understanding of the application of Economics in Business
3. To learn the basic Micro and Macroeconomic concepts.
4. To have an understanding of Demand, Production, Cost, Profit and Market competitions with reference to a firm and industry.

**Module -1 Introduction 7 hours**

Managerial Economics: Meaning, Nature, Scope, & Significance, Uses of Managerial Economics, Role and Responsibilities of Managerial Economist. Theory of the Firm: Firm and Industry, Objectives of the firm, alternate objectives of firm. Managerial theories: Baumol's Model, Marris's Hypothesis, Williamson's Model.

**Module -2 Demand Analysis 9 hours**

Law of Demand, Exceptions to the Law of Demand, Elasticity of Demand –Classification of Price, Income & Cross elasticity, Advertising and promotional elasticity of demand. Uses of elasticity of demand for Managerial decision making, Measurement of elasticity of demand. Law of supply, Elasticity of supply, Demand forecasting: Meaning & Significance, Methods of demand forecasting. (No problems).

**Module -3 Cost Analysis & Production analysis 9 hours**

Concepts of Production, production function with one variable input - Law of Variable Proportions. Production function with 2 variable inputs and Laws of returns to scale, Indifference Curves, ISO-Quants & ISO-Cost line, Least cost combination factor, Economies of scale, Diseconomies of scale. Technological progress and production function. Types of cost, Cost curves, Cost – Output Relationship in the short run and in the long run, LAC curve Break Even Analysis – Meaning, Assumptions, Determination of BEA, Limitations, Uses of BEA in Managerial decisions (with simple Problems).

**Module -4 Market structure and Pricing Practices 9 hours**

Perfect Competition, Features, Determination of price under perfect competition, Monopoly: Features, Pricing under monopoly, Price Discrimination. Monopolistic Competition: Features, Pricing Under monopolistic competition, Product differentiation. Oligopoly: Features, Kinked demand Curve, Cartels, Price leadership.

**Descriptive Pricing Approaches:** Full cost pricing, Product line pricing, Pricing Strategies: Price Skimming, Penetration Pricing, Loss leader pricing, Peak Load pricing.

**Module -5 Indian Business environment 9 hours**

Nature, Scope, Structure of Indian Business Environment – Internal and External Environment. Political and Legal Environment, Economic Environment, Socio – Cultural Environment, Global Environment

**Basic Macro Economic Concepts:** Open and Closed Economies, Primary, secondary and Tertiary sectors and their contribution to the economy. SWOT Analysis for the Indian economy. Measuring the Economy: Measuring GDP and GDP Growth rate, Components of GDP.

**Module-6 Indian Industrial Policy 7 hours**

**Industrial Policies and Structure:** A critical look at Industrial Policies of India, New Industrial Policy 1991; - Private Sector- Growth, Problems and Prospects, SMEs –Significance in Indian economy-problems and prospects. **Fiscal policy and Monetary Policy.** **Foreign Trade:** Trends in India's Foreign Trade, Impact of WTO on India's Foreign Trade.

**Course outcomes:**

At the end of the course the student will be able to:

1. The student will understand the application of Economic Principles in Management decision making.
2. The student will learn the micro economic concepts and apply them for effective functioning of a Firm and Industry.
3. The Student will be able to understand, assess and forecast Demand.
4. The student will apply the concepts of production and cost for optimization of production.
5. The student will design Competitive strategies like pricing, product differentiation etc. and marketing according to the market structure.
6. The student will be able to understand macroeconomic concepts.

**Practical Component:**

- Assessment of Demand Elasticity – Price, Income, Cross, Advertising.
- Demand Forecasting:
- Application of qualitative and quantitative methods of demand forecasting to various sectors (Automobile, Service, Pharmaceutical, Information Technology, FMCG, Hospitality etc.) in India.
- Preparing a Project proposal for a Business Venture.(Compulsory)

**CO-PO MAPPING**

CO	PO				
	PO1	PO2	PO3	PO4	PO5
CO1	X				
CO2	X	X	X		
CO3	X			X	
CO4	X				X
CO5	X				X
CO6	X			X	

**Question paper pattern:**

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 60.

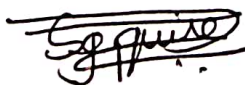
- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks.
- Each full question will have sub question covering all the topics under a Module.
- The students will have to answer five full questions; selecting four full question from question number one to seven and question number eight is compulsory.
- 80 percent theory and 20 percent problems in the SEE.

**Textbooks**

Sl No	Title of the book	Name of the Author/s	Publisher Name	Edition and year
1	Managerial Economics	Geethika, Ghosh & Choudhury	McGraw Hill	2/e, 2011
2	Managerial Economics	Dominick Salvatore,	Oxford Publishers	2e, 2016

**Reference Books**

1	Managerial Economics	R. Panneerselvam, P. Sivasankaran, P. Senthilkumar	Cengage	2015
2	Managerial Economics	Samuelson & Marks	Wiley	5/e, 2015
3	Managerial Economics	D.M Mithani	HPH	2016
4	Managerial Economics	H.L Ahuja Samuelson & Marks	S.Chanda	2014


**DEAN**

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