

ECONOMICS FOR MANAGERS

Subject Code	: 14MBA12	IA Marks	: 50
No. of Lecture Hours / Week	: 04	Exam Hours	: 03
Total Number of Lecture Hours	: 56	Exam Marks	: 100
Practical Component	: 01 Hour / Week		

Objectives:

1. To introduce the fundamentals, tools and theories of managerial economics
2. To orient on micro economic techniques as a decision making process
3. To understand macro economic analysis essential for business managers

Module 1: (10 hours)

Managerial Economics: Meaning, Nature, Scope. & Significance, Uses of Managerial Economics, Law of Demand, Exception to Law of Demand, Elasticity of Demand- Price, Income and Cross Elasticity, Uses of Elasticity of Demand for Managerial Decision Making, Advertising and Promotional Elasticity of Demand- Demand Forecasting: Meaning and Significance. Problems on elasticity of demand.

Module 2: (8 hours)

Production Analysis: Concept, Production Function: Single Variable –Law of Variable Proportions & Two Variable Function, ISO-Quants & ISO Costs & Equilibrium, Total, Average, & Marginal Product, Return to Scale, Technological Progress & Production Function.

Module 3: (8 hours)

Cost and Revenue Profit Functions: Cost Concepts, Total Cost, Average Cost, Marginal Cost, Opportunity Cost etc. Short-run and Long-run Cost Curves, Combination, Economies and Diseconomies of Scale. Cost Analysis with Mathematical Problems.

Profits: Determinants of Short-Term & Long Term Profits, Measurement of Profit.

Break Even Analysis- Meaning, Assumptions, Determination of BEA, Limitations and Uses of BEA in Managerial Economics. (Problems on BEP)

Module 4: (8 hours)

Market Structure: Perfect Competition: Features, Determination of Price under Perfect Competition - Monopoly: Features, Pricing under Monopoly, Price Discrimination - Oligopoly: Features, Kinked Demand Curve, Cartel, Price Leadership - Monopolistic Competition: Features, Pricing under Monopolistic Competition, Product Differentiation Pricing - Descriptive Pricing- Price Skimming, Price Penetration.

Module 5: (8 hours)

Indian Economic Environment: Overview of Indian Economy, Recent Changes in Indian Economy.

Measurement of National Income: Basic Concepts, Components of GDP- Measuring GDP and GNP, Measurement Problems in National Income, Growth Rate.

Business Cycle – Features, Phases, Economic Indicator, Inflation : Types, Measurement , Kinds of Price Indices, Primary, Secondary and Tertiary Sector and their contribution to the Economy, SWOT Analysis of Indian Economy.

Module 6:

(8 hours)

Industrial Policies and Structure: Classification of Industries based on Ownership, Industrial Policies, New Industrial Policy 1991; Private Sector- Growth, Problems and Prospects, SSI- Role in Indian Economy.

Industry Analysis: Textiles, Electronics, Automobile, FMCG, Telecom, Pharm. FDI in Retail, Infrastructure, Pharma, Insurance, Banking & Finance and Automobile.

Globalization and Indian Business Environment: Meaning and Implications, Phases, Impact of Globalization on Indian Economy across Sectors.

Foreign Trade: Trends in India's Foreign Trade, Impact of WTO on India's Foreign Trade.

Module 7:

(6 hours)

Economic Policies: Fiscal Policy: Objectives, Instruments, Union Budget,

Monetary Policy: functions of money, Measures of Money Supply, Monetary Policy in India– objectives, tools for Credit Control.

Role and functions of Planning Commission.

Practical Components:

1. Assessment of Impact of advertisement or sales promotion on the demand of a product (Preferably FMCG goods)
2. Study of demand elasticity for a product when there is a price increase or price decrease.
3. Market surveys/ consumer intention survey for an existing or a new product/service.
4. Opinion polls to understand the buyer behavior for a product or a service.
5. Demand forecasting – Mini project may be given to students to assess the demand for a product or a service using any method.
6. Preparing a project proposal for a new business venture to understand the BEP using real time data.

RECOMMENDED BOOKS:

1. Managerial Economics- Theory and Applications, Dr. D.M Mithani, Himalaya Publications.
2. Managerial Economics, D.N Dwivedi, 6th ed., Vikas Publication.
3. Managerial Economics, H. L Ahuja, S. Chand, 2011
4. Indian Economy, K P M Sundharam and Dutt, 64th Edition, S Chand Publication.
5. Business Environment Text and Cases by Justin Paul, 3rd Edition, McGraw-Hill Companies.

REFERENCE BOOKS:

1. Managerial Economics- Principles and worldwide applications, Dominick Salvatore, Oxford Publication, 6e, 2010
2. Managerial Economics, Atmanand, Excel BOOKS, 2/e, 2010
3. Managerial Economics, Yogesh Maheshwari, PHI, 2/e, 2011
4. Managerial Economics: Case study solutions- Kaushal H, 1/e., Macmillan, 2011