

Course Name: Managerial Economics

Course Code: 15MB51C2

Semester I / Year I

L-T-P : 3-0-0

Credits : 3

COURSE OUTCOMES

After completion of this course, the student will be able to

1. Apply the intuition for analyzing economic problems from a managerial perspective in an organizational & business context.
2. Use the basic tools that structure the microeconomic problems for optimal decision-making.
3. Analyze the Macro Economic Environment of the organization.

SYLLUBUS

Introduction: Economics and managerial decision making; Managerial Economics, nature and scope of Managerial Economics; Tools of Managerial Economics; Risk, Uncertainty and Probability Analysis. Optimization techniques: Firm Theory: Objectives of the firm; Theory of the growth of the firm: Marris and Penrose; Role of a Managerial Economist. **Demand and Advertisement Analysis:** Concept of demand; Determinants of demand, Law of Demand; Elasticity of demand; Demand estimation and demand forecasting, Demand forecasting for consumer durables and capital goods. Techniques of demand forecasting. Advertising – Contribution of Economic Theory: Methods of determining Total advertising budget; Cyclical Fluctuations of Advertising, Measuring the Economic Effects of Advertising. **Production and Cost Analysis:** Production functions, Long Run and Short Run Production Functions, The Cobb-Douglas Production function, Optimum input combination; Cost concepts, Short-run and Long-run cost functions, Cost curves, Economies of Scale; Introduction to pricing and pricing practices. Capital Budgeting – Capital Management and Financial Policy. **Market Analysis:** Markets, Kinds of Competition; Features of different types of market structures, Price & Output determination under Perfect competition, Monopoly, Monopolistic competition, Oligopoly; Monopoly Policy – MRTP - Macroeconomic concepts: National Income, Measurement of National Income, Uses of National Income Statistics; Business Cycles, Stages of business cycles; Inflation, Types of Inflation, Impact of inflation, Measures to overcome Inflation.

RECOMMENDED TEXT BOOK

Dominick Salvatore, Managerial Economics, Oxford publications, 2007.

REFERENCE BOOKS

1. H.L.Ahuja, Managerial Economics, McGraw Hill, 2008.
2. Paul G.Keat, Philip K.Y.Young and Sreejata Banerjee, Managerial Economics, Pearson education, 2009.
3. P.L. Mehta, Managerial Economics, S.Chand& Sons, New Delhi, 2007.
4. D.N. Dwivedi ,Managerial Economics, Vikas Publications, New Delhi-2007.
5. G.S.Gupta, Macro Economics – Theory and Applications, The McGraw – Hill Companies, 2008