

K L University
Department of Business Administration
Course Handout for 1st Year BBA-MBA PROGRAM
A.Y.2017-18, II Semester

Course Name	:	Managerial Economics
Course Code	:	17BB12C4
L-T-P structure	:	3-0-0
Course Credits	:	3
Course Coordinator	:	Dr. V. V. Madhav
Course Instructors	:	Dr. Subhash Dhone Dr. Madhivaran
Course Teaching Associates	:	Nil

Course Objective:

1. To apply the principles and methods of microeconomics to real-world business problems in different contexts.
2. To enhance the analytic power of students and practical applicability of microeconomic theory.
3. To bring real aspects of managerial decision making process to the classroom.
4. To develop intuitions behind each economic concept, the theory to formalize it and, more importantly, the ability to apply the fundamental economic concepts

Course Rationale: This course provides an introduction to decision-making within firms, from an economic perspective. The economic perspective enters the course material in two ways. First, economics provides many of the tools to be used in making and analyzing managerial decisions. Second, economics provides a way to understand how changes in the environment in which firms operate influence their decision-making.

Course Outcomes (CO):

CO No:	CO	SO	BTL
1.	Understand the basic principles of managerial economics	a e	2
2.	Analyze the responsiveness of consumers' demand to changes in the price of a good or service, the price of other goods and services, and income.	a e	4
3.	Understand the different costs of production and how they affect short and long run decisions	a e	3
4.	Analyze the price and output decisions under different market structures.	a e	4

COURSE OUTCOME INDICATORS (COI):

CO No.	COI-1	COI-2	COI-3
1.	Outline the meaning , Nature and scope of economics	Demonstrate the basic principles of managerial economics.	
2.	Comprehend the concept of demand	Apply the concept of elasticity of demand	Analyze the responsiveness of consumer with the help of demand forecasting
3.	Explain the concept of production and production function	Apply the short run and long run production function	Apply the cost and revenues related to production.
4.	Cognize the market structures	Apply the features, price and output determination in Perfect competition	Analyze the features, Price determination in imperfect competition

SYLLABUS (As approved by BoS):

Nature and Scope of Managerial Economics: - Meaning, characteristics, scope and subject matter relationship with other disciplines- decision making and forward planning Fundamental principles of managerial economics: - Opportunity cost principle-incremental principal, principle of time perspective, discounting principle and equi-marginal principle.

Demand Analysis: Meaning and definition of demand, determinants of demand, law of demand, exception to the law of demand, elasticity of demand. Demand Forecasting, Meaning and definitions- methods of demand forecasting, criteria of good forecasting methods.

Production & Cost Analysis: - Concept of production function – Short run production functions and long run production – Internal and external economies of scale. Cost– meaning, money, real, opportunity, implicit and explicit, short–run costs, total cost, fixed cost economics of scale. Revenue – meaning – total revenue, average revenue and marginal revenue - Break even analysis- break even chart.

Market Structures: - Meaning of a market and market structure-Classification of markets: Perfect competition, Monopoly, Monopolistic and Oligopoly-meaning, definition and Price Output determination.

BoS Approved Text books:

1. D. N. Dwivedi , Managerial Economics, Vikas Publications, New Delhi-2007.
2. H. L. Ahuja, Managerial Economics, McGraw Hill, 2008.

BoS Approved Reference Books:

1. P. L. Mehta, Managerial Economics, S. Chand & Sons, New Delhi, 2007.
2. Shankaran, Managerial Economics, Margam Publications, Chennai, 2006
3. Adhikary, M. Managerial Economics, Khosla Publishers, 2009
4. Economics, S. Chand & Sons, New Delhi, 2007.
5. Shankaran, Managerial Economics, Margam Publications, Chennai, 2006
6. Adhikary, M. Managerial Economics, Khosla Publishers, 2009

Other Books, References: (As recommended for reference by the course team, if any): NIL

Deviations (if any) from BoS approved syllabus and the topics planned : NIL

COURSE DELIVERY PLAN:

Sess. No.	CO	COI	Topic (s)	Teaching-Learning Methods	Evaluation Components
1	1	1	Managerial Economics - Meaning, characteristics	lecture and interaction	In sem. Exam and End Sem. Exam
2	1	1	Scope and subject matter	lecture and interaction	In sem. Exam and End Sem. Exam
3	1	1	Relationship with other disciplines	lecture and interaction	In sem. Exam and End Sem. Exam
4	1	2	Decision making	lecture and interaction	In sem. Exam and End Sem. Exam
5	1	2	Forward planning	lecture and interaction	In sem. Exam and End Sem. Exam
6	1	2	Case study	lecture and interaction	In sem. Exam and End Sem. Exam
7	1	2	Opportunity cost principle	lecture and interaction	In sem. Exam and End Sem. Exam
8	1	2	Incremental principal and Principle of time perspective	lecture and interaction	In sem. Exam and End Sem. Exam
9	1	2	Discounting principle & Equi-marginal principle	lecture and interaction	In sem. Exam and End Sem. Exam
10	1	2	Case study	lecture and interaction	In sem. Exam and End Sem. Exam
11	2	1	Meaning and definition of demand, determinants of demand	lecture and interaction	In sem. Exam and End Sem. Exam
12	2	1	Law of demand and Exception to the law of demand	lecture and interaction	In sem. Exam and End Sem. Exam
13	2	1	Expansion & Contraction of demand Increase and decrease in demand	lecture and interaction	In sem. Exam and End Sem. Exam
14	2	1	Increase and decrease in demand	lecture and interaction	In sem. Exam and End Sem. Exam
15	2	1	Types of Demand	lecture and interaction	In sem. Exam and End Sem. Exam
16	2	2	Elasticity of demand	lecture and interaction	In sem. Exam and End Sem. Exam
17	2	2	Methods of measurement	lecture and interaction	In sem. Exam and End Sem. Exam
18	2	3	Demand Forecasting, Meaning and definitions	lecture and interaction	In sem. Exam and End Sem. Exam
19	2	3	Methods of demand forecasting	lecture and interaction	In sem. Exam and End Sem. Exam
20	2	3	Methods of demand forecasting	lecture and interaction	In sem. Exam and End Sem. Exam
21	2	3	Criteria of good forecasting methods.	lecture and interaction	In sem. Exam and End Sem. Exam
22	2	1	Case study	lecture and interaction	In sem. Exam and End Sem. Exam

23	3	1	Concept of production function	lecture and interaction	In sem. Exam and End Sem. Exam
24	3	1	Cobb-Douglas production function	lecture and interaction	In sem. Exam and End Sem. Exam
25	3	1	Types of Production Function	lecture and interaction	In sem. Exam and End Sem. Exam
26	3	2	Short run production function & long run production	lecture and interaction	In sem. Exam and End Sem. Exam
27	3	2	Long run production	lecture and interaction	In sem. Exam and End Sem. Exam
28	3	2	Internal and external economies of scale	lecture and interaction	In sem. Exam and End Sem. Exam
29	3	2	Internal and external economies of scale	lecture and interaction	In sem. Exam and End Sem. Exam
30	3	2	Supply meaning and determinants	lecture and interaction	In sem. Exam and End Sem. Exam
31	3	2	law of supply	lecture and interaction	In sem. Exam and End Sem. Exam
32	3	2	Cost- types	lecture and interaction	In sem. Exam and End Sem. Exam
33	3	2	Short-run costs	lecture and interaction	In sem. Exam and End Sem. Exam
34	3	2	Revenue – meaning and types, Equilibrium - demand and supply	lecture and interaction	In sem. Exam and End Sem. Exam
35	3	3	Equilibrium – Demand and Supply	lecture and interaction	In sem. Exam and End Sem. Exam
36	3	3	Equilibrium and conditions	lecture and interaction	In sem. Exam and End Sem. Exam
37	3	3	Break even analysis- break even chart.		
38	4	1	Market Structures: - Meaning of a market and market structure	lecture and interaction	End Sem. Exam
39	4	1	Classification of markets, Perfect competition meaning, definition and Price Output determination.	lecture and interaction	End Sem. Exam
40	4	1	Perfect competition meaning, definition and Price Output determination	lecture and interaction	End Sem. Exam
41	4	2	competition Imperfect competition meaning, definition	lecture and interaction	End Sem. Exam
42	4	2	Perfect Vs Imperfect	lecture and interaction	End Sem. Exam
43	4	3	Monopoly meaning, definition and Price Output determination	lecture and interaction	End Sem. Exam
44	4	3	Monopolistic Competition meaning, definition and Price Output determination.	lecture and interaction	End Sem. Exam
45	4	3	Oligopoly-meaning, definition and Price Output determination.	lecture and interaction	End Sem. Exam

Session wise Teaching – Learning Plan

Session Number: 1

Session Outcome: After this session, the student will be able to know the meaning and characteristics of managerial economics.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Introduction		
20	Managerial Economics - Meaning, characteristics	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 2

Session Outcome: After this session, the student will be able to identify Scope and subject matter of managerial economics.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Scope and subject matter of managerial economics	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 3

Session Outcome: After this session, the student will be able to identify managerial economics Relationship with other disciplines

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Relationship with other disciplines	2	Lecture
15	Verify		Discussion
05	Summary		

Session Number: 4

Session Outcome: After this session, the student will be able to know decision making

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Decision making	2	Lecture
15	Q&A		Interaction
05	Summary		

Session Number: 5

Session Outcome: After this session, the student will be able to identify forward planning.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Forward planning	2	Lecture
15	Q&A		Interaction
05	Summary		

Session Number: 6

Session Outcome: After this session, the student will be able to apply the case.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		

20	Case study	3	Active learning - Case analysis
15	Discussion		
05	Summary		

Session Number: 7

Session Outcome: After this session, the student will be able to identify the principles of opportunity cost.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Opportunity cost principle	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 8

Session Outcome: After this session, the student will be able to explain the concepts of incremental principal and Principle of time perspective.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Incremental principal and Principle of time perspective	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 9

Session Outcome: After this session, the student will be able to know the discounting principle & equi-marginal principle

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Discounting principle & equi-marginal principle	2	Lecture
15	Q&A		Interaction
05	Summary		

Session Number: 10

Session Outcome: After this session, the student will be able to do case analysis.

Time(min)	Topic	BTL	Teaching – Learning Method
50	Recap		
	Case study	2	Active Learning - Case Analysis
	Discussion		
	Summary		

Session Number: 11

Session Outcome: After this session, the student will be able to explain the Meaning and definition of demand, determinants of demand.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Meaning and definition of demand, determinants of demand	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 12

Session Outcome: After this session, the student will be able to comprehend the Law of demand and Exception to the law of demand

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		

20	Law of demand and Exception to the law of demand	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 13

Session Outcome: After this session, the student will be able to identify the concept of Expansion & Contraction of demand.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Expansion & Contraction of demand	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 14

Session Outcome: After this session, the student will be able to identify the concept of Expansion & Contraction of demand.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Increase and decrease in demand	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 15

Session Outcome: After this session, the student will be able to know different Types of Demand.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Types of Demand	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 16

Session Outcome: After this session, the student will be able to apply the concept of Elasticity of demand

Time(min)	Topic	BTL	Teaching – Learning Method
05	Introduction to case		
20	Elasticity of demand	3	Lecture
15	Case analysis		Identify and present
05	Summary		

Session Number: 17

Session Outcome: After this session, the student will be able to apply the different types of Methods of measurement of demand.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Methods of measurement	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 18

Session Outcome: After this session, the student will be able to understand and apply demand forecasting.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Demand Forecasting, Meaning and definitions	4	Lecture
15	Discussion		Interaction

05	Summary		
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Session Number: 19

Session Outcome: After this session, the student will be able to analyze Methods of demand forecasting.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Methods of demand forecasting	4	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 20

Session Outcome: After this session, the student will be able to analyze Methods of demand forecasting.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Methods of demand forecasting	4	Lecture
15	Discussion		Lecture with PPT
05	Summary		

Session Number: 21

Session Outcome: After this session, the student will be able to analyze the Criteria of good forecasting methods.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Criteria of good forecasting methods.	4	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 22

Session Outcome: After this session, the student will be able to apply the case

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Case study	3	Active Learning - Case analysis
15	Discussion		
05	Summary		

Session Number: 23

Session Outcome: After this session, the student will be able to identify the Concept of production function.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Concept of production function	2	Lecture
15	Discussion		Lecture with PPT
05	Summary		

Session Number: 24

Session Outcome: After this session, the student will be able to identify the Cobb-Douglas production function.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Cobb-Douglas production function	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 25**Session Outcome: after this session, the student will be able to identify different Types of Production Function.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Introduction to case		
20	Types of Production Function	2	Lecture
15	Case study		Active learning - Case analysis
05	Summary		

Session Number: 26**Session Outcome: After this session, the student will be able to know and apply the Short run production function.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Short run production function	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 27**Session Outcome: After this session, the student will be able to know and apply long-term production function.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	long run production	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 28**Session Outcome: After this session, the student will be able to know and apply the Internal and external economies of scale.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Internal and external economies of scale	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 29**Session Outcome: After this session, the student will be able to identify Internal and external economies of scale.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Internal and external economies of scale	1	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 30**Session Outcome: After this session, the student will be able to identify the Supply meaning and determinants..**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Supply meaning and determinants	1	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 31**Session Outcome: After this session, the student will be able to identify law of supply.**

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	law of supply	1	Lecture
15	Discussion		Interaction
05	Summary		

Session Outcome: After this session, the student will be able to identify the types of cost.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Cost– types	1	Lecture
15	Discussion		interaction and videos
05	Summary		

Session Number: 33

Session Outcome: After this session, the student will be able to apply the concept of Short–run costs.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Short–run costs	3	Lecture
15	DISCUSSION		interaction
05	Summary		

Session Number: 34 to 40

Session Outcome: After this session, the student will be able to apply the concept of revenue.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Revenue – meaning and types	3	Lecture
15	Discussion		interaction
05	Summary		

Session Number: 35

Session Outcome: After this session, the student will be able to identify equilibrium.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Equilibrium - demand and supply	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 36

Session Outcome: After this session, the student will be able to identify conditions of equilibrium.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Equilibrium and conditions	2	Lecture
15	Discussion		interaction
05	Summary		

Session Number: 37

Session Outcome: After this session, the student will be able to know and apply the concept of break even.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		

20	Break even analysis- break even chart.	3	Lecture
15	DISCUSSION		interaction
05	Summary		

Session Number: 38

Session Outcome: After this session, the student will be able to know the Market Structures.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Market Structures: - Meaning of a market and market structure	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 39

Session Outcome: After this session, the student will be able to identify markets.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Classification of markets	4	Lecture
15	Discussion		interaction
05	Summary		

Session Number: 40

Session Outcome: After this session, the student will be able to know and apply the features of perfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Perfect competition meaning, definition and Price Output determination.	2	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 41

Session Outcome: After this session, the student will be able to apply the price and output determination in perfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Perfect competition meaning, definition and Price Output determination.	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 42

Session Outcome: After this session, the student will be able to apply the features of perfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Imperfect competition meaning, definition and Price Output determination.	3	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 43

Session Outcome: After this session, the student will be able to apply and analyze the price and output determination in imperfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Monopoly meaning, definition and Price Output determination.	4	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 44

Session Outcome: After this session, the student will be able to apply and analyze the price and output determination in perfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Monopolistic Competition meaning, definition and Price Output determination.	4	Lecture
15	Discussion		Interaction
05	Summary		

Session Number: 45

Session Outcome: After this session, the student will be able to apply and analyze the price and output determination in perfect competition.

Time(min)	Topic	BTL	Teaching – Learning Method
05	Recap		
20	Oligopoly-meaning, definition and Price Output determination.	4	Lecture
15	DISCUSSION		Interaction
05	Summary		

EVALUATION PLAN:

Evaluation Component	Weightage /Marks	Date	Duration (Hours)	CO 1			CO 2			CO 3			CO 4		
				1	2		1	2	3	1	2	3	1	2	3
COI Number				1	2		1	2	3	1	2	3	1	2	3
BTL				2	2		2	3	4	2	2	2	2	3	4
Test 1	Weightage (10%)	18 th January to 30 th Jan2016	90 mins	5	5										
	Max Marks (20)			10	10										
Test 2	Weightage (10%)	9 th Mar to 12 th Mar2016	90 mins				3	3	4						
	Max Marks (20)						6	6	8						

Test 3	Weightage (10%)	4 th April to 9 th April, 2016	90 mins													3	3	4
	Max Marks (10)			6	6	8												
Active Learning	Weightage (15%)			Active Learning														
	Max Marks (15)																	
Attendance	Weightage (5%)			Attendance														
	Max Marks (5)																	
Semester End Exam	Weightage (50%)	25 th April 2018	180 mins	2%	8%		2%	4%	4%	2%	4%	4%	4%	8%	8%			
	Max Marks(50)			2	8		2	4	4	2	4	4	4	8	8			
	Question Number			1	2-7		1	2-7	8	1	2-7	8	1	2-7	8			

Course Team members, Chamber Consultation Hours and Chamber Venue details:

S.No.	Name of Faculty	Chamber Consultation Day(s)	Chamber Consultation Timings for each day	Chamber Consultation Room No:	Signature of Course faculty
1.	Dr. V. V. Madhav	Saturday	3 PM to 4PM	505 D faculty chamber	
2.	Dr. Dhone	Saturday	3 PM to 4PM	Department Library	
3.	Dr. Ramesh	Saturday	3 PM to 4PM		

Signature of COURSE COORDINATOR:



Hari Kiran Vege,

Recommended by HEAD OF DEPARTMENT:

for **Approved By: DEAN-ACADEMICS**

(Sign with Office Seal)

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