

Subject Code:1MS1010404

Subject Title: Managerial Economics

1. **Course Objectives:** To familiarize the students with concepts and analytical tools in Managerial Economics applied in a variety of day-to-day business situations.

2. **Teaching Scheme (Hours per week)**

Lecture (Hrs.)	Tutorial	Practical	Credit	Evaluation Scheme (Marks)			
				University Assessment		Internal Assessment	
				Theory	Practical	Theory	Practical
4	-	-	4	70 Marks	-	30 Marks	-

3. **Syllabus:**

Module No.	Contents	Total Hours	Weight
1	<p>Introduction: Definition of Managerial Economics, The nature and scope of Managerial Economics, Relationship of Managerial Economics to: Economics, Decision making, Business Administration and Forward Planning</p> <p>Nature of Profit: What is profit? Profit Theories, Functions of Profit, Accounting profit and economic profit (without examples)</p>	12	10%
2	<p>Elasticity of Demand: What is Demand?, Price elasticity – Methods, types and Uses, Income elasticity, Concept and uses, Cross elasticity – Concept, Types and Uses, Promotional Elasticity and its Uses.</p> <p>Demand Forecasting: Demand Forecasting -Meaning & its significance - Objectives of short-run and long-run demand forecasting. Forecasting Methods - Survey & Statistical methods</p>	12	25%

3	<p>Production Function</p> <p>Production and Production function - Firm, Iso-costs - properties of iso -quants, the principle of marginal rate of Technical substitutions, Least cost input combination, Expansion path, Explanation of law of variable proportion and Return to scale with Iso -quant -Iso -cost analysis.</p> <p>Cost concepts and Relationships : Cost Concepts: Accounting cost and Economics Cost, Opportunity cost and Actual cost, Incremental cost and Sunk cost-fixed and variable cost. Total cost, Average cost, Marginal cost, Average fixed cost. Average variable cost & their relationships, U-shape of Short run Average cost curve, Long run average cost curve. (Saucer shape and L-shape).</p>	12	25%
4	<p>Revenue Concept and Market Structure :</p> <p>Revenue Concept: Concepts of total Revenue, Average Revenue, Marginal Revenue and their relationship. Market Structure: Definition, Characteristics and Price determination under: Perfect Competition - Monopoly - Duopoly - Monopolistic Competition - Oligopoly.</p>	12	25%

4. Suggested Readings

Books:

1. Managerial Economics by Yogesh Maheswari, Phi Learning, New Delhi,
2. Managerial Economics by Gupta G.S., Tata Mcgraw-Hill, New Delhi
3. Managerial Economics – Analysis, Problems and Cases by P.L. Mehta, Sultan Chand Sons, New Delhi.
4. Essentials of Managerial Economics by P. N. Reddy, Himalaya Publishing House.