FACULTY OF MANAGEMENT STUDIES

Integrated MBA – Five Years (Sem.-I)
Effective from Academic Year 2019-20

Subject Code: 1MS3010103	Subject Title: Managerial Economics

1. Course Overview

Managerial Economics is the application of economic principles to decision-making in business firms or management units. The basic concepts are derived mainly from microeconomic theory, which studiesthe behaviour of individual consumers, firms, and industries. Managerial Economics also employs tools of analysis like statistical methods to estimate current and future demand for products. Operations research and programming are used as scientific criteria for maximizing profit, minimizing cost, and selecting the most profitable combination of products. The course emphasizes market structure and industrial performance, including the strategic interaction of firms. It examines the behavior of individual markets -- and the producers and consumers that sell and buy in those markets - focusing on cost analysis, the determinants of market demand, pricing strategy, market power, and the consequences of government regulatory policies.

2. Course Objectives

After the course, participants

- State the nature of firms & their environment
- Apply the elementary production & cost analysis for a given set of information
- State the nature demand sensitivity & apply these concepts to economic forecasting for a given set of data
- State the major market structures and the effects on competition
- State the importance of pricing decisions and market failure

3. Teaching Scheme (Hours per week)

Lecture (Hrs.)	Tutorial	Practical	Credit	Evaluation Scheme (Marks)		Total
				University Assessment	Continuous Assessment	
4		0	4	60	40	100

4. Syllabus:

Module No.	Contents	Total Hours	Weight (%)
1	Micro Economics: Definition, Scope and Importance. • Basic Micro-economic Problems • Thinking Like an Economist • Interdependence and the Gains from Trade	8	20
2	SUPPLY AND DEMAND: HOW MARKETS WORK • The Market Forces of Supply and Demand • Elasticity and Its Application • Supply, Demand, and Government Policies	8	20
3	SUPPLY AND DEMAND: MARKETS AND WELFARE • Consumers, Producers, and the Efficiency of Markets	8	20

	• Application: The Costs of Taxation. • Application: International Trade		
4	FIRM BEHAVIOR AND THE ORGANIZATION OF INDUSTRY • The Costs of Production • Firms in Competitive Markets • Monopoly • Monopolistic Competition Oligopoly	8	20
5	THE ECONOMICS OF LABOR MARKETS • The Markets for the Factors of Production • Earnings and Discrimination • Income Inequality and Poverty	8	20

5. Suggested Readings:

- **Text Books**

Author/s	**Publication**	**Title**
N. Gregory Mankiw	**Cengage Learning India**	Principles of Economics, 6/e (Latest Indian Edition)

- **Reference Books**

Author/s and Edition	**Publication**	**Title**
McGuigan James R.	**Cengage Learning India Private Limited**	Economics for Managers
R. Preston McAfee	**Free pdf book from h**ttp://www.introecon.com	Introduction to Economic Analysis

6. Evaluation Scheme

Sr. No.	Component	Weight
1	**University Examination** *** For the written examination, the open book examination may be opted by the paper setter appropriately**	**60%**
2	**Internal Assessment** -Depending on the need and objectives of the subject, internal assessment should include minimum three of the following sub-components; *Class Test, Quiz, Assignments, Case Presentation, Class Participation, Projects, Team/Individual Assignments.* -The weightage of a sub-component should not exceed 50% of internal assessment component weight.	**40%**

	-The bifurcation of sub-components shall be communicated by the instructor before commencement of the academic sessions.	