Faculty of Management Studies

Master of Business Administration (Integrated) (Sem.-I)

In Effect from Academic Year 2023-24

Branch Name:	MANAGEMENT
Program Code:	MS301
Course Name:	Managerial Economics
Course Code:	2MS3010103T
Pre-requisite Course:	Reasoning Ability, Assumptions building, Understanding of Graphs, Tables, Society and Individual behavior.

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 studies the behavior 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.

Course Objectives

After the course, participants

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

Teaching and Examination Scheme:

Teaching Scheme (Hours per week)				Evaluation Scheme (Marks)				
				Theory (Marks)		Practical (Marks)		
Lecture (L)	Tutorial (T)	Practical (P)	Credit	University Assessment	Continuous Assessment	University Assessment	Continuous Assessment	Total (Marks)
4	-	-	4	60	40	-	-	100

Course Contents

Sr No.	Topic	Total Hours	Weightage (%)
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 ● Application: The Costs of Taxation. ● Application: International Trade	8	20

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

Suggested Readings:

1. **Text Books**

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

2. **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

Course Learning Outcomes (CLO): On completion of this course, the students will be able to:

CLO	**Description**	**Bloom's Taxonomy Level**
CLO1	To understand the basic models of economics like circular flow of income and production frontier, law of demand etc. To Know ten Principles of economics	1. Remember
CLO2	To study the major economic crisis in the world and policy failures leading to economic crises.	3 Apply, 4 Analyse
CLO3	To study Indian Monetary Policy and Budgets.	3 Apply, 4 Analyse
CLO4	To understand major concepts of Micro and Macro economics.	2. Understand
CL05	To equip students with the basic skills to function under dynamic economy	5 Evaluate, 6 Create

Mapping of CLOs with Pos & PSOs

Course	**Program Outcomes(POs)**								**Program Specific Outcomes(PSOs)**	
Learning Outcomes	**PO1**	**PO 2**	**PO 3**	**PO 4**	**PO 5**	**PO 6**	**PO 7**	**PO 8**	**PSO1**	**PSO2**
CLO1	H	M		L	L	M	L	H	M	
CLO2	H	H	L	H		M				
CLO3	**H**	L	H			L		L		M
CLO4	H	H		H					H	
CLO5			H			H	M	H		

H: High, M: Medium, L: Low