



**Managerial Economics**  
**Fundamentals of Managerial Economics**  
**[Core Course]**

Semester: I	Credits: 3	Subject Code: C12003	Lectures: 48
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**Course Outcomes:**

At the end of this course, the learner will be able to:

- Describe and examine the field of Managerial Economics and relate the same to managerial functions
- Explain and assess the various factors influencing Economic Environment of Business
- Relate, explain and examine the concepts in Demand, Elasticity and Forecasting and infer the implications of the concepts
- Examine and identify the methods of Demand Forecasting and its applications in real-life situations
- Explain and relate to the various theoretical concepts in Production and apply the same to practical situations

<b>Unit 1: Introduction to Managerial Economics</b>	<b>10</b>
<ul style="list-style-type: none"><li>• Managerial Economics- Definition, Nature and Scope, Need for Separate Study</li><li>• Relation with Economics, Relation with other Branches</li><li>• Firm, Plant and Industry</li></ul>	

<b>Unit 2: Firm and Changing Business Environment</b>	<b>08</b>
<ul style="list-style-type: none"><li>• Meaning and Definition of Business Environment</li><li>• Factors contributing to Business Environment- Economic, Social, Cultural, Technological, Legal, Political, Locational, Ecological, International Business Environment</li><li>• The New Age Economy- Definition and Characteristics;</li><li>• The Eco-Economy- Meaning</li></ul>	

<b>Unit 3: Demand Analysis</b>	<b>10</b>
<ul style="list-style-type: none"><li>• Meaning of Demand, Factors determining Demand</li><li>• Law of Demand, Assumptions and Exceptions</li><li>• Elasticity of Demand- Concept, Types and Measurement</li><li>• Revenue Concepts-Total, Average and Marginal Revenue</li><li>• Relation: Revenue and Elasticity</li></ul>	

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**Unit 4: Empirical Demand Analysis**

**10**

- Demand Forecasting-Meaning and Objectives, Need
- Types of Demand Forecasting
- Methods of Demand Forecasting:
  - For Established products
  - For New products
- Test Marketing – Meaning, Types and Importance in modern business
- Case Studies

**Unit 5: Production Function**

**10**

- Concept of Production Function
- Law of Variable Proportions & Returns to Scale
- Economies of Scale

**#12 contact hours for Assignments, Visits, Research, Field Studies, etc.**

**Recommended Basic Reading:**

- Ahuja H.L. *Managerial Economics*. S. Chand & Co. 2017.
- Damodaran Suma. *Managerial Economics* OUP, 2010.
- Dwivedi D.N. *Managerial Economics*. Vikas Publishing House: 2015.
- Fernando A. C. *Business Environment*. Pearson Education: 2011.
- Hill Charles H. L. Arun Jain *International Business*. McGraw Hill Education: 2018.
- Mithani D. M. *Managerial Economics: Theory & Application* HPH, 2012.
- Mishra VK, Puri SK. *Economic Environment of Business*. HPH: 2018.

**Recommended Reference Books:**

- Brown Lester R. *Eco Economy*. W. W. Norton & Co.: 2017.
- Cabral Luis M. B. *Introduction to Industrial Organization*. PHI Learning: 2017
- Chaturvedi D.D, Gupta S. I & Pal Sumitra. *Business Economics-Text & Cases* Galgotia Publishing Co.: 2011.
- Chrystal Alec K & Lipsey Richard G. *Economics for Business and Management*. Oxford University Press: 1997.
- Dominick Salvatore. *Managerial Economics in a Global Economy*. OUP: USA; 2017.
- Dominick Salvator, Ravikesh Srivastava. *Managerial Economics: Principles and Worldwide Application* OUP: USA; 2012.
- Harrison Barry, Charles Smith & Brinley Davies. *Introductory Economics*. Palgrave Macmillan: 1992.
- Hirschey Mark. *Managerial Economics*. Cengage Learning India: 2013.
- Justin Paul. *Business Environment* McGraw Hill Education: 2018.
- Mansfield Edwin. *Managerial Economics* W.W Norton & Co. Inc: 2012.

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- Shaikh Saleem. *Business Environment* Pearson Education: 2015.
- Varshney R.L. Maheshwari K.L. *Managerial Economics* Sultan Chand & Co: 2018.

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**Managerial Economics**  
**Fundamentals of Managerial Economics**  
**[Core Course]**

<b>Semester: II</b>	<b>Credits: 3</b>	<b>Subject Code: C22003</b>	<b>Lectures: 48</b>
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**Course Outcomes:**

At the end of this course, the learner will be able to:

- Relate and examine the theoretical concept of cost and its application in real-life situations
- Examine, assess and justify the method of pricing policy and infer the implications in real-life situations
- Compare and contrast various market structures and its working with examples
- Explain and demonstrate the working of markets in price and output determination processes
- Examine and assess to the economic policy failures and implications on managerial decision-making

**Unit 1: Cost Concepts**

**10**

- Meaning of Cost
- Fixed and Variable Cost
- Opportunity Cost
- Total, Average and Marginal Cost
- Short-run and Long run Costs of a Firm
- Production, Selling Costs and Advertising Cost

**Unit 2: Pricing Policy**

**08**

- Objectives of Pricing Policy, Importance of Pricing Policy
- Factors affecting Pricing Decisions
- Types of Price Policy
- On the Basis of Cost -Cost Plus Pricing, Marginal Cost Pricing
- Administered Pricing, Transfer Pricing and Predatory Pricing

**Unit 3: Market Structures**

**10**

- Classification of Markets: Pure and Perfect Competition; Monopoly, Monopolistic Competition, Oligopoly, Duopoly; (Features)
- Condition of Equilibrium
- Price and Output Determination under Perfect Competition; Equilibrium of Firm and Industry

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**Unit 4: Price and Output Determination**

**10**

- Price and Output Determination under Simple Monopoly
- Price and Output Determination under Discriminating Monopoly
- Price and Output Determination under Monopolistic Competition

**Unit 5: Market Failure and Public Policy**

**10**

- Imperfections and Failures of Market Mechanism
- Businesses and Public Policy; Public Policy and Government
- Cases of Market Failure- Externalities, Imperfect Information, Monopoly, Price Wars
- Policy for Entry and Firm Regulation, Policy for Control of Monopoly and Cartels, Public Policy and Welfare

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