

IMPC4006MANAGERIAL ECONOMICS (3-0-0)

Course Objectives:

1. To lay an adequate theoretical foundation to study various applied fields in economics and management.
2. To demonstrate the application of economic theory to business decisions.
3. To develop a student's ability to think analytically about the economic forces at work in society.
4. To develop a framework which the students may use to analyze the overall behavior of a modern mixed economy.

Module - I:

Relevance of economics for business decisions, Scope of Managerial Economics, Role of Managerial Economist and Business decision making. Demand Analysis – individual demand and market demand, Determinants of demand, Elasticity of demand and its measures in business decision making, Demand Estimation and demand Forecasting, Supply Analysis.

Module - II:

Production functions: Short Run Production Function – Variable Proportions, Long Run Production Function - Returns to Scale; cost minimization and output maximization, various cost concepts, cost functions, Economies of scale and economies of scope (simple numerical problems to be solved).

Module-III:

Market morphology, price and output determination under different market conditions: Perfect competition, monopoly, monopolistic competition, oligopoly, Descriptive pricing approaches: Full cost pricing, product pricing; Price skimming, penetration pricing. Input pricing; Concepts of consumption, saving, and investment, Phases of business cycle, Inflation, Fiscal and Monetary policies, National Income.

Course Outcomes:

- CO-1: Adopt the managerial economics concepts for business decision making. Also know the law of demand, its exceptions and the use of different forecasting methods for predicting demand for various products and services.
- CO-2: Analyse the different costs of production and how they affect short and long run decision. Derive the equilibrium conditions for cost minimization and profit maximization. Analyse economies of scale, diseconomies of scale and economies of scope.
- CO-3: Learn about the short run and long run equilibrium of a firm and industry and also about different market structure and various pricing techniques.
- CO-4: Analyse different phases of business cycle, Analyse the impact of cyclical fluctuation on the growth of business and lay policies to control business cycle.

Reference Books:

1. Managerial Economics, Geetika, Ghosh, Raychoudhury, TMH
2. Managerial Economics, Salvatre, Srivastava, Oxford
3. Managerial Economics, Keat, Young, Banerjee, Pearson,
4. Managerial Economics, H L Ahuja, S. Chand
5. Managerial Economics Theory and Applications, DM Mithani HPH
6. Managerial Economics, PL Mehta Sultanchand & Co.
7. Managerial Economics, DN. Dwivedi, Vikash