



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

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

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

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

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Unit 4: Empirical Demand Analysis	10
<ul style="list-style-type: none"> • Demand Forecasting-Meaning and Objectives, Need • Types of Demand Forecasting • Methods of Demand Forecasting: <ul style="list-style-type: none"> ○ For Established products ○ For New products • Test Marketing – Meaning, Types and Importance in modern business • Case Studies 	

Unit 5: Production Function	10
<ul style="list-style-type: none"> • 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
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Semester: II	Credits: 3	Subject Code: C22003	Lectures: 48
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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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • 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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Subject Expert (Outside SPPU)	Dr. Ishita Dutt	<i>I. Dutt</i> 15/6/21
Subject Expert (Outside SPPU)	Dr. Subhash Patil	15/6/21 <i>Subhash</i>
VC Nominee	Dr. Sailee Belsare	<i>Sailee</i> 15/06/2021
Industry Expert	Dr. Nishant Upadhyay	
Alumni	Ms. Asha Panicker	<i>Asha</i> 15/6

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