

CP-103 : MANAGERIAL ECONOMICS

Objectives

The Objectives of this course is to acquaint the participants with concepts and techniques used in Micro-Economic Theory and to enable them to apply this knowledge in business decision-making. Emphasis is given to changes in the nature of business firms in the context of globalization.

Course Contents

Unit -I

Scope, Concepts and Techniques of Managerial Economics, Nature of business decision-making, Marginal analysis, optimization; Demand functions, Law of Demand - Utility Concept, Cardinal and Ordinal Approach, Income and substitution effects.

Unit -II

Elasticity of Demand; Price Elasticity, Income Elasticity, Cross Elasticity, Advertising Elasticity.

Unit -III

Demand forecasting, Production Function, Concept, Isoquants, Equilibrium, Law of Variable Proportions, Law of Returns to Scale, Cost Function, Types of Costs, Theory of Firm - Profit Maximization, Sales Maximization.

Unit -IV

Market Structure: Concept of Equilibrium, Perfect Competition, Monopoly, Monopolistic, Oligopoly, Theoretical Concept of Pricing, Pricing Policies in Practices Non-Price Competition.

Unit -V

Macro Economics : Aggregates and Concepts -GNP and GDP-Aggregate Consumption-Demand, Balance of Payments, Monetary Policy Fiscal Policy; Concept and Measurement of National Income; Determination of National Income, Multiplier Effect & Accelerator.

Suggested Readings

1. Adhikary, M. *Business Economics*.,New Delhi, Excel Books, 2000.
2. Baumol, W J. *Economic Theory and Operations Analysis*. 3rd ed., New Delhi, Prentice Hall Inc., 1996.
3. Mehta, P.L. *Managerial Economics*. New Delhi Sultan Chand & Sons.
4. Keat, Paul G & Philips K. Y. Young, *Managerial Economics*, Prentice Hall, New Jersey, 1996.
5. Koutsoyiannis, A. *Modern Micro Economics*. New York, Macmillan, 1991.

6. Milgrom, P and Roberts J. *Economics, Organization and Management*. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1992.
7. Diwedi D.N. *Managerial Economics*. Vikas Publishing, New Delhi.

The list of cases and specific references including recent articles will be announced in the class at the time of launching of the course.