

## 203 Managerial Economics

1. Introduction; Economics - Definition, Contents, Fundamental problems of an economy, Micro and Macro Analysis, Managerial Economics - Meaning Nature and scope, techniques of analysis in managerial economics - opportunity cost, Discounting, marginal cost, incremental cost and Time perspective; Objectives of the firm - profit Maximisation, Firms' value Maximisation, Size maximisation.
2. Demand Analysis : Demand ; Definition, factors determining demand, demand law, ordinal and cardinal concepts of consumer behaviour, Price effect, Income effect, substitution effect, elasticity of demand, elasticity and nature of commodity. Types of demand - Direct and indirect demand, Derived and autonomous demand, demand for durables and non-durables, firm and industry demand, Total market and market segment, Demand forecasting - meaning and techniques.
3. Production and cost Analysis - Production function, returns to a factor, returns to scale, isoquants least cost combination of inputs, economies and diseconomies of scale. Cost concepts, Short run and Long-run Cost-output relationship, Break-even Analysis.
4. Market Analysis : Characteristics of different types of markets, Price and output decision under perfect competition, monopoly, monopolistic competition and oligopoly (kinked demand model, Cournot's model, cartel and collusion, Price leadership).
5. Product Pricing & Factor Pricing : Product pricing - Pricing methods, product line pricing, specific pricing problems; factor pricing - marginal productivity theory of factor pricing, Modern theory of wages & rent, Liquidity preference theory of interest.

### Suggested Readings:

1. Ahuja H. L.: Business Economics; S. Chand & Co., New Delhi.
2. Dwivedi D.N.: Managerial Economics
3. Ferguson P. R. and Rothschild R., and Ferguson G. J.: Business Economics; Macmillan, Hampshire.
4. Koutsoyianni A. : Modern Microeconomics; Macmillan, New Delhi.
5. Maheshwari Yogesh : Managerial Economics
6. Nellis & Parker: The Essence of Business Economics; Prentice Hall, New Delhi.
7. Peterson & Lewis: Managerial Economics; (Prentice Hall)
8. Varshney & Maheshwari : Managerial Economics