

CP 104: MANAGERIAL ECONOMICS

Objective: to enable the students to understand economic concepts and theories and their application in management decision-making.

Unit I- Introduction: Nature and Scope of Managerial Economics; Objectives of the Firm-Traditional Theory. Sales revenue maximizing theory. Managerial Theories and Behavioral Theories; Profit Maximization. Vs. Wealth Maximization.

Unit II- Demand Analysis : Demand-Meaning, Determinations Of Demand, Demand Function; Law of Demand; Elasticity of Demand –Price, Income, Cross and Promotional or Advertising Elasticity of demand, Managerial Uses of Elasticity of Demand; Demand Forecasting. Demand Forecasting Methods for Existing and New Products, Criteria for Good Forecasting Method.

Unit III- Production Analysis: Production Function –Law of Variable Proportions, Isoquant and Isocost Curves, Least Cost Combination, and Returns to Scale; Economies of Large Scale; Cobb- Douglas Production Function - Cost concepts and Cost Oriented Pricing Methods.

Unit-IV Market Analysis: Price and Output Determination under Perfect Competition, monopoly, monopolistic competition, oligopoly.

Unit – V: Introduction to Economic Optimization techniques- constrained and unconstrained techniques, National Income concepts, inflation – types and causes of inflation – measures to control inflation. Phases of business cycles.

(Case Study is compulsory in all Units)

Suggested Books:

1. Dean, Joel: Managerial Economics, PHI., New Delhi
2. DN Dwivedi, Managerial Economics, Vikas, New Delhi
3. Trivedi M.L: Managerial Economics, Theory and Applications, TMH, ND
4. Mark Hirschey, Managerial Economics: An Integrative Approach, Cengage, New Delhi
5. Mehta, P.L: Managerial Economics, Text and Cases, S.Chand & Co
6. Mittal A., . Managerial Economics, Text and Cases, Wisdom, Delhi
7. Mithani, D.M: Managerial Economics, Theory and Applications, Himalaya Publishing.
8. Attmanad; Managerial Economics, Excel publications.
9. G.S.Gupa, Macro Economics: , Theory and Applications, Tata McGraw Hill.
10. Dwivedi, D.N. Macro Economics: Theory and Applications, Tata McGraw Hill