

Course Type	Course Code	Name of Course	L	T	P	Credit
CORE	MSC506	Managerial Economics	3	0	0	6

Course Objectives

This course deals with the application of microeconomics to the practical problems of businesses/firms in order to facilitate rational managerial decisions and possible solutions of managerial problems.

Learning Outcomes

- Understand the fundamentals of economics.
- Understand the demand and supply and measure its responsiveness to various factors.
- Differentiate between various costs of production.
- Analyze the four basic market structure models and how price and quantity are determined in each model.

Unit No.	Topics to be Covered	Lecture Hours	Learning Outcome
1	Introduction to Economics- Scarcity and allocation of resources, Distinction between Microeconomics and Macroeconomics, Firm- meaning and objectives; Marginal Analysis and Time Value of Money.	10	<ul style="list-style-type: none"> · Understanding the basic concepts of managerial economics. · Understanding the basic concepts of the two main branches of economics—microeconomics and macroeconomics.
2	Utility Analysis- consumer's budget constraint, utility maximization; Demand and supply analysis, Government intervention (floor price, ceiling price, tax, etc), Consumer and producer surplus, Price, income and cross elasticity.	10	<ul style="list-style-type: none"> · Understanding different concepts related to consumer behaviour. · Understanding the consumer behavior to maximize utility with different constraints. · Define the concept and measures of elasticity.
3	Production and Cost analysis-Production functions, production and cost in the short run and long run, Economies of scale and scope, Market Analysis-types of market, profit maximization under perfect competition, monopoly, monopolistic competition, and oligopoly	10	<ul style="list-style-type: none"> · Understanding cost function and the difference between short-run and long-run cost function. · Isoquant and Isocost and finding out optimal combinations of inputs. · Compare and contrast four basic market types. · Meaning and profit maximization conditions under the four market structures.
4	Price Discrimination, Pricing Strategies- cost-plus pricing, peak load pricing, product bundling, two-part tariffs, Public Goods and Externalities, Asymmetric Information, Economics of Uncertainty and Risk	10	<ul style="list-style-type: none"> · Price-output decisions of perfectly competitive, monopoly, monopolistic and oligopoly firms, both in short and long-run. · Understanding of different pricing strategies.

Text Books:

1. *Managerial Economics and Business Strategy*, 8th Edition, Michael R Bay & Jeff Prince, McGraw Hill Education (2017).
2. *Microeconomics: Theory and Applications with Calculus*, 3rd Edition. Jeffrey M. Perloff, Pearson Education (2017).