



<b>Course:</b>		<b>Managerial Economics</b>							<b>Course Code:</b>		<b>PBA101</b>	
<b>Teaching Scheme (Hrs/Week)</b>		<b>Continuous Internal Assessment (CIA)</b>							<b>End Semester Examination</b>		<b>Total</b>	
<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>	<b>CIA-1</b>	<b>CIA-2A</b>	<b>CIA-2B</b>	<b>CIA-3</b>	<b>CIA-4</b>	<b>Theory</b>	<b>T/P</b>		
<b>4</b>	<b>-</b>	<b>0</b>	<b>4</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>10</b>	<b>50</b>	<b>00</b>	<b>100</b>	
<b>Max. Time, End Semester Exam (Theory) -3Hrs.</b>												

### Course Objectives

- 1 To equip students with tools to apply mathematical models in decision making.
- 2 To understand role of quantitative techniques in managerial decision making
- 3 To understand process of decision problem formulation
- 4 To understand applications of various quantitative techniques in managerial settings.
- 5 To equip the students with project planning techniques through quantitative techniques.

### Course Content

Unit No.	Module No.	Content	Hours
1.	I	<b>Nature and Scope of Economics</b> -Micro Economics and Macro Economics. Managerial Economics and its relevance in business decisions. Fundamental Principles of Managerial Economics - Incremental Principle, Marginal Principle, Opportunity Cost Principle, Discounting Principle, Concept of Time Perspective. Equi-Marginal Principle	12
2	II	<b>Demand Analysis and Demand Forecasting</b> -Theory of Demand. Types of Demand and their characteristics. Utility Analysis. Cardinal Utility and Ordinal Utility. Elasticity of Demand and its measurement. Price Elasticity. Income Elasticity. Arc Elasticity. Cross Elasticity and Advertising Elasticity. Estimation of Revenue. Average Revenue. Marginal Revenue and Elasticity of Demand. Techniques of Demand Forecasting.	12
3	III	<b>Indifference Curve Analysis</b> -Concept and Properties of Indifference Curves. Income Effect. Substitution Effect and Price Effect. Income Consumption Curve and Price Consumption Curve. Derivation of Demand Curve. Superiority of Indifference Curve Analysis over Utility Analysis.  <b>Cost Analysis</b> -Concept of Cost and Cost Classification. Accounting Cost and Economic Cost. Law of Variable proportions - Increasing, Decreasing and Constant Returns. Cost output relationship in the short-run. Cost output relationship in the Long-run, Production Functions. ISO-Cost Curves and their significance in cost analysis. Economies of Scale. Least Cost Combination Concept.	12

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4	IV	<b>Market Structure and Product Pricing</b> - Perfect and Imperfect Market Structures. Conditions of Perfect Competition. Price of a Product under demand and supply forces. Equilibrium Price. Price behaviour and time element. Market Price and Normal Price. Pricing under Perfect Competition. Prices under short-run and Long-run. Pricing under Monopoly and Monopolistic Competition. Pricing under Oligopoly. Kinked Demand Curve. Discriminating Prices. Factor Pricing-Pricing of labour as a factor of production. Marginal productivity theory of factor pricing.	12
5	V	<b>Profit Analysis and profit Forecasting</b> -Concept of Profit. Accounting Profit and Economic profit. Theories of Profit. Dynamic Theory of Profit. Risk and Uncertainty-Bearing Theory of Profit. Innovation Theory of Profit. Profit Forecasting and Management of Profit. Profit Standards and the problems relating to Profit Maximization.  <b>National Income</b> -Definition of national income. Product and money flows. Measurement of National Income – Net output or value method. Factor Income method. Expenditure method. Choice of Methods. Growth and composition of India's National Income.	12
<b>Total No. of Hrs</b>		60	

### Course Outcome

#### Students should able to

- CO1** Understanding of basic concepts of quantitative techniques in management through linear programming
- CO2** Understanding and application of various methods of transportation and assignment problems to solve various issues of organization.
- CO3** Understanding of decision theory under certainty and uncertainty
- CO4** Understanding of concept of queuing theory.
- CO5** Understanding of network designing through various methods of network design.

### Recommended Resources

#### Text Books

- 1. Quantitative Techniques in Management by N.D. Vohra Tata, McGraw Hill Publications, 4<sup>th</sup> Edition
- 2. Quantitative Approaches to Management by Levin, Rubin, Stinson & Gardner
- 3. Operations Research Theory & Applications by J K Sharma- MacMillan Publishers India Ltd., 4<sup>th</sup> Edition

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**Reference Books**

1. Introduction to Operations Research by Bille E. Gilett, TMGH
2. Operations Research by Nita Shah, Ravi Gor, Hardik Soni, PHI
3. Managerial Decisions Modeling with Spreadsheets by Bal Krishnan, Render, Stair, Jr., Pearson Education.
2. Operations Research by R. Pannerselvam, Prentice Hall India, 2<sup>nd</sup> Edition.

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