

ECOM525:MANAGERIAL ECONOMICS

L:3 T:1 P:0 Credits:3

Course Outcomes: Through this course students should be able to

- CO1 :: apply the concept of various elasticities for taking managerial decisions
- CO2 :: apply the concepts of cost, nature of production and its relationship to business operations
- CO3 :: analyze the concept of price and output decisions of firms under various market structures
- CO4 :: analyze the impact of macroeconomic variables on economic growth
- CO5 :: measure the various components of National Income to evaluate its impact on the economy
- CO6 :: evaluate the monetary and fiscal policies to control inflation
- CO7 :: evaluate the interplay between microeconomics and macroeconomics for decision making
- CO8 :: simulate ceteris paribus principle to take decisions

Unit I

Introduction to managerial economics : basic assumptions, basic economic problem-choice and scarcity, kinds of economic decisions, deductive and inductive methods

Demand and Supply Analysis : law of demand, law of supply, market equilibrium, empirical aspects of elasticity of demand, price, income, and cross elasticity of demand

Unit II

Production and Cost function : production and production function with one and two variable inputs, concept of returns to scale, meaning and types of cost, short-run and long-run cost, learning curves

Unit III

Market structure : competitive market characteristics, introduction to monopoly and monopolistic competition, role of advertisement in different market structure

Oligopoly : types, meaning and sources, cartelization and price leadership under oligopoly

Unit IV

Introduction to macroeconomics : origin, growth and basic concepts, microeconomics versus macroeconomics, macroeconomics and business environment, macroeconomics and role of government

Working of macroeconomics environment : circular flow model approach using internal and external sectors

Unit V

National income concepts : personal vs national income, measurement of national income using income, output and expenditure approach, real vs nominal GDP, GDP at market price and factor cost, intermediate and final goods, issues in measuring national income, national income and disposable income, national income and welfare

Unit VI

Money and inflation : concept, functions, types, inflation and interest rates, the nominal interest rate and the demand for money, hyper-inflation, stagflation

Monetary and fiscal policy : introduction of monetary and fiscal policy, the interplay of monetary and fiscal policy and the problem of inflation

Text Books:

1. MANAGERIAL ECONOMICS PRINCIPLES AND WORLDWIDE APPLICATIONS by DOMINICK SALVATORE & SIDDHARTHA RASTOGI, OXFORD UNIVERSITY PRESS
2. MACROECONOMICS: THEORY AND POLICY by D N DWIVEDI, MC GRAW HILL

References:

1. PRINCIPLES OF MACROECONOMICS by N. GREGORY MANKIW, Cengage India Private Limited
2. MANAGERIAL ECONOMICS by G GEETIKA, PIYALI GHOSH, MC GRAW HILL
3. MICROECONOMIC ANALYSIS by HAL R VARIAN, WW NORTON & COMPANY

