

**MANAGERIAL ECONOMICS-I****OBJECTIVES:**

To give a complete and rigorous introduction to basic principles of microeconomics and to demonstrate how applications of economic theory can improve decision making.

**PADAGOGIC TOOLS:**

Lectures, Practical examples from corporate & business world, Assignments & Presentations

**COURSE CONTENT:**

<b>Topics</b>	<b>Weightage</b>
<b>NATURE &amp; SCOPE OF MANAGERIAL ECONOMICS</b> <ul style="list-style-type: none"> <li>➤ Introduction – What Managerial Economics is about</li> <li>➤ Definition of Managerial Economics</li> <li>➤ Managerial Economics and Economic Theory</li> <li>➤ Decision Making and Forward Planning</li> <li>➤ The Nature and Types of Business Decisions</li> <li>➤ Managerial Decision Making Process</li> <li>➤ Nature &amp; Scope of Managerial Economics</li> <li>➤ Chief Characteristics of Managerial Economics</li> <li>➤ Significance of Managerial Economics</li> <li>➤ Fundamental concepts in Managerial Economics</li> <li>➤ Role &amp; Responsibilities of a Managerial Economist in Business</li> </ul>	<b>30%</b>
<b>MARKET STRUCTURE ANALYSIS - 1</b> <ul style="list-style-type: none"> <li>❖ <b>Introduction to Theory of Market Structure</b></li> <li>❖ <b>Perfectly Competitive Market</b> <ul style="list-style-type: none"> <li>➤ Price Determination under Perfect Competition</li> <li>➤ Features of a Perfectly competitive market</li> <li>➤ Demand curve facing the Firm &amp; Industry under Perfect competition</li> <li>➤ Equilibrium of the Firm &amp; Industry under Perfect competition in Short-run &amp; Long-run</li> </ul> </li> <li>❖ <b>Monopoly</b> <ul style="list-style-type: none"> <li>➤ Price Determination under Monopoly</li> <li>➤ Features &amp; causes of Monopoly</li> <li>➤ Nature of Demand curve &amp; Marginal revenue curve under Monopoly</li> <li>➤ Price &amp; output under Monopoly in Short-run &amp; Long-run</li> </ul> </li> <li>❖ <b>PriceDiscrimination</b> <ul style="list-style-type: none"> <li>➤ Meaning of Price discrimination</li> <li>➤ Forms of Price discrimination</li> <li>➤ Degrees of Price discrimination</li> <li>➤ Conditions under which Price discrimination is possible &amp; profitable</li> </ul> </li> </ul>	<b>25%</b>

<p><b>MARKET STRUCTURE ANALYSIS - 2</b></p> <ul style="list-style-type: none"> <li>❖ <b>Price Determination under Monopolistic Competition</b> <ul style="list-style-type: none"> <li>➤ Features of Monopolistic competition</li> <li>➤ Nature of Demand curve (AR) &amp; Marginal Revenue (MR) curves</li> <li>➤ Concept of Group Equilibrium</li> <li>➤ Price &amp; Output determination in short-run &amp; Long Run under Monopolistic Competition</li> </ul> </li> <li>❖ <b>Selling cost</b> <ul style="list-style-type: none"> <li>➤ Meaning, Difference between Selling Costs &amp; Production Costs, Effects of Selling Costs on Demand Curve</li> </ul> </li> <li>❖ <b>Oligopoly</b> <ul style="list-style-type: none"> <li>➤ Features, Kinked Demand Curve, Price Leadership (Types, Characteristics, Advantages)</li> </ul> </li> </ul>	<b>25%</b>
<p><b>PROFIT THEORIES</b></p> <ul style="list-style-type: none"> <li>❖ <b>Introduction</b> <ul style="list-style-type: none"> <li>➤ Concepts of Gross profit, Net profit, Normal profit, Supernormal profit, Accounting profit, Economic profit</li> <li>➤ Characteristics of profit</li> </ul> </li> <li>❖ <b>Theories of Profit</b> <ul style="list-style-type: none"> <li>➤ Innovation Theory by J. A. Schumpeter</li> <li>➤ Uncertainty Bearing Theory by F.H. Knight</li> <li>➤ Dynamic Theory by J.B. Clark</li> </ul> </li> </ul>	<b>20%</b>

**Text and Reference Books:**

- 1) Managerial Economics in a Global Economy – Dominick Salvatore, Thomson South-Western
- 2) Managerial Economics: Application, Strategy & Tactics – Moyers, Harris
- 3) Managerial Economics – D M Mithani, Himalaya Publishing House
- 4) Managerial Economics – Analysis, Problems and Cases – P. L. Mehta, Sultan Chand
- 5) Essentials of Managerial Economics – P. N. Reddy, Himalaya Publishing House
- 6) Managerial Economics – G S Gupta, Tata McGraw-Hill
- 7) Modern Microeconomics: Theory & Application – H L Ahuja, Sultan Chand
- 8) Advanced Economic Theory: Microeconomic Analysis – H L Ahuja, Sultan Chand
- 9) Principles of Microeconomics-H L Ahuja, Sultan Chand
- 10) Business Economics – H. L. Ahuja, Sultan Chand
- 11) Advanced Microeconomic Theory – M J Kennedy, Himalaya Publishing House
- 12) Economics – Paul Samuelson, William Nordhaus, Tata McGraw-Hill

**MANAGERIAL ECONOMICS-II**  
**(WITH FORMS OF BUSINESS ORGANISATIONS)**

**OBJECTIVE:** To give a complete and rigorous introduction to basic principles of microeconomics and to demonstrate how applications of economic theory can improve decision making. This subject also aims at giving preliminary idea of the forms of business organization.

**PADAGOGIC TOOLS:** Lectures, Practical examples from corporate & business world, Assignments & Presentations

**COURSE CONTENT:**

Topics	Weightage
<p><b>PRODUCTION ANALYSIS</b></p> <ul style="list-style-type: none"> <li>❖ <b>Production Function</b> <ul style="list-style-type: none"> <li>➤ Meaning &amp; classification of Factors of Production</li> <li>➤ Meaning &amp; significance of Production Function in Business</li> <li>➤ Linear Homogeneous Production function</li> <li>➤ Short-run &amp; Long-run Production function</li> <li>➤ Cobb-Douglas Production function</li> </ul> </li> <li>❖ <b>Theory of Production</b> <ul style="list-style-type: none"> <li>➤ Concept of Total Product, Average Product and Marginal Product</li> <li>➤ Law of Variable Proportions</li> <li>➤ Economies &amp; Diseconomies of scale</li> <li>➤ Returns to Scale</li> </ul> </li> <li>❖ <b>Production Function with Two Variable Inputs</b> <ul style="list-style-type: none"> <li>➤ Meaning &amp; General Properties of Iso-Quants</li> <li>➤ Marginal Rate of Technical Substitution (MRTS)</li> </ul> </li> <li>❖ <b>Optimum Factor Combination</b> <ul style="list-style-type: none"> <li>➤ Concept of Iso-Cost Lines</li> <li>➤ Least Cost Combination of Factors (Choice of Inputs)</li> <li>➤ The Economic Region of Production (Ridge Lines)</li> <li>➤ Expansion Path</li> </ul> </li> </ul>	<b>40%</b>
<p><b>CAPITAL BUDGETING (INVESTMENT ANALYSIS)</b></p> <ul style="list-style-type: none"> <li>➤ Meaning of Capital Budgeting</li> <li>➤ Need &amp; Nature of Capital Budgeting</li> <li>➤ Demand for Capital</li> <li>➤ Supply of Capital (Sources of Capital)</li> <li>➤ Capital Rationing</li> <li>❖ <b>Methods of evaluating Investment proposals:</b> <ul style="list-style-type: none"> <li>➤ <b>Modern techniques of Investment Appraisal</b> <ul style="list-style-type: none"> <li>• Net Present Value criterion (NPV)</li> <li>• Profitability Index criterion (PI)</li> <li>• Internal Rate of Return criterion (IRR)</li> </ul> </li> <li>➤ <b>Traditional Methods of Investment Appraisal</b> <ul style="list-style-type: none"> <li>• Payback period method</li> <li>• Average Rate of Return (ARR)</li> </ul> </li> </ul> </li> </ul>	<b>30%</b>

## **FORMS OF BUSINESS ORGANISATION (FBO)**

**30%**

### ❖ **Sole Proprietorship**

Meaning, Features, Merits & Demerits

### ❖ **Partnership**

Meaning, Features, Merits & Demerits

Kinds of Partners

Partnership deed and Process of Registration

Distinction between Partnership & Proprietorship

### ❖ **Joint Stock Company**

Meaning, Features, Merits & Demerits

Kinds of Company (Brief introduction only)

Distinction between Public Company & Private Company

### ❖ **Public Enterprise**

Meaning, Features, Merits & Demerits

### ❖ **Joint Venture**

Meaning, Features, Merits & Demerits

### ❖ **Multinational Corporations**

Meaning, Features, Merits & Demerits

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- 3) Managerial Economics – D M Mithani, Himalaya Publishing House
- 4) Managerial Economics – Analysis, Problems and Cases – P. L. Mehta, Sultan Chand
- 5) Essentials of Managerial Economics – P. N. Reddy, Himalaya Publishing House
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- 8) Advanced Economic Theory: Microeconomic Analysis – H L Ahuja, Sultan Chand
- 9) Principles of Microeconomics-H L Ahuja, Sultan Chand
- 10) Business Economics – H. L. Ahuja, Sultan Chand
- 11) Economics – Paul Samuelson, William Nordhaus, Tata McGraw-Hill
- 12) Business Organisation & Management –Y.K.Bhushan, *Sultan Chand & Sons.*
- 13) Business Organisation – Acharya Govekar

