

Common Subject  
Sem I

**I> Course Content:**

Semester	I Core
Subject	Managerial Economics
Course Code	MMSC105 (RGCMS)
Credits	4
Duration	40

**Learning Objective:** To enable the students to understand both the theory and practice of Managerial Economics,

To ensure that the students are in a position to appreciate the finer nuances of the subject.

To help the students in applying the knowledge so acquired in policy planning and managerial decision making.

**Module**

Sr. No.	Content	Activity	Course Outcome
1.	Introduction to Managerial Economics: The meaning, scope and methods of Managerial Economics, Dominic Salvatore model of application of Economics to business decision making. Scarcity, choice & production possibility curve.	Lecture & case study	MMSC105.1
2.	Consumer Behavior- I: Demand, types of demand, factors affecting demand & demand function. Making of linear demand function & linear demand curve. Law of demand. Consumer's surplus	Lecture & case study	MMSC105.1
3.	Consumer behavior – II: Concept of elasticity of demand and its significance for a businessman. Types of Elasticity – Price Elasticity of Demand, Income Elasticity of Demand, Cross elasticity of demand & Promotional Elasticity of Demand, Demand forecasting – features, significance & methods	Lecture & case study	MMSC105.1
4.	Supply – concept of supply, factors affecting supply & the law of supply Determination of equilibrium price :effects of changes in demand & supply on equilibrium price	Lecture & case study	MMSC105.2
5.	Production Function: Concept, Isoquant & Isocost analysis	Lecture & case study	MMSC105.2

Common Subject  
Sem I

6.	Laws of returns to scale, economies & diseconomies of scale		MMSC105.3
7.	Revenue Analysis, Cost analysis and break even analysis	Lecture	MMSC105.3
8.	Types of markets: perfect competition, monopoly, oligopoly & monopolistic competition – features and price determination	Lectures & case study	MMSC105.4
9.	Types of markets: perfect competition, monopoly, oligopoly & monopolistic competition – features and price determination	Lectures & case study	MMSC105.4
10.	Pricing practices: Factors affecting pricing decision. Marginal cost pricing, mark up pricing, transfer pricing, product line pricing, price skimming and penetration price.	Lectures & cases	MMSC105.4
11.	<ul style="list-style-type: none"> <li>• Profit management</li> <li>• Role of profits in a market economy</li> <li>• Nature and measurement of profit, profit policies</li> <li>• The hypothesis of profit maximization and it's alternatives</li> </ul>	Lecture	MMSC105.5
12.	<ul style="list-style-type: none"> <li>• Demand for capital</li> <li>• Supply of capital</li> <li>• Capital Rationing</li> <li>• Capital Budgeting, Net Present Value(NPV), Internal Rate of Return(IRR).</li> <li>• Appraising - the profitability of projects</li> </ul>	Lecture	MMSC105.5

**II> Course Outcomes**

<u>Course Code</u>	<u>Course Outcomes</u> Students will be able to..	<u>Cognition</u>
MMSC105.1	CO1: Understand the basics of economics, application of law of demand and its various concepts	Understand
MMSC105.2	CO2: Understand the law of supply with its various uses and production function	Understand
MMSC105.3	CO3: Understand returns to scale and economies of scale along with different cost concepts	Understand
MMSC105.4	CO4: Understand various market forms and pricing practices	Understand
MMSC105.5	CO5: Understand role of profit in business and methods of capital budgeting	Understand

Text books

Sr. No.	Books
1.	Managerial Economics in a Global Economy by Dominick Salvatore

Common Subject  
Sem I

2.	Managerial Economics by Suma Damodaran
3.	Microeconomics for Business by Satya P Das

Reference Books

Sr. No.	Books
1.	Economics by Paul Samuelson and Richard Nordhaus : Indian Adaptation, 19th Edition
2.	Managerial Economics by Milton Spencer and Louis Siegelman
3.	Managerial Economics: Concepts and Cases by Mote, Paul and Gupta