22BA102:MANAGERIALECONOMICS

Course Code	**22BA102**	Course Delivery Method	Class Room / Blended Mode
Credits	4	CIA Marks	30
No. of Lecture Hours / Week	5	Semester End Exam Marks	70
Total Number of Lecture Hours	75	Total Marks	100
Year of Introduction : 2017	Year of Offering: 2017	Year of Revision: 2022	Percentage of Revision: 05%

CourseDescriptionandPurpose:
Managerial economics is a stream of management studies that emphasizes primarily solvingbusinessproblemsanddecision-makingbyapplyingthetheoriesandprinciplesofmicroeconomics and macroeconomics. It is a specialized stream dealing with an organization'sinternal issues by using various economic theories. This course is aimed to equip students withthe necessary theory and techniques and the ability to apply them in order to inform and enhancemanagerial decision making. This course covers concepts such as goals of the firm, optimizationtechniques, demand theory and estimation, forecasting and measurement, theory of productionand estimation, cost theory and estimation, pricing and output determination under differentmarketstructures, gametheory, and pricingin practiceand business cycles.

Course Outcomes:

At the end of completion of this course, the learner is able to

CO-1 Understand various managerial economic concepts related to Demand, Production, Cost, Market, Profit etc.
CO-2 Understand various macroeconomic concepts related economic fundamentals, Inflation, trade cycles
CO-3 Estimate the demand, Output, production costs, profit
CO-4 Analyze price-output decisions in different markets
CO-5 Apply the knowledge of the phases trade cycle to understand different economies

CourseContent

UNIT- I
Managerial Economics: Definition, Nature, Scope - Concepts of Managerial economics - Functions and Responsibilities of a Managerial Economist -Market Demand- determinants- Law of Demand and its exceptions –Theory of Demand - Indifference Curves- Elasticity of Demand - Types of Elasticity of Demand and their Managerial Uses - Demand Forecasting - Methods of Forecasting for Existing and New Product.**(16 Hours)**

UNIT-II

Firm Theory & Production Analysis: Economic Theory of Firm –Profit maximization-Managerial theories - Baumol's Model - Behavioural theories-Production Function -Law of production- Law of Variable Proportions – Iso-quants and Iso-costs - Least Cost Factor Combination – Law of Returns to Scale - Economies and Diseconomies of Scale, Law of supply - determinants. **(15 Hours)**

UNIT- III

Cost, Profit & Market Structures: Cost Concepts - Short-run and Long-run Cost Curves- Determinants of Short-Term & Long Term Profits, Measurement of Profit Break Even Analysis - *Demand and Supply:* Market Equilibrium - Market Structures - Concept of Price - Pricing and Output Determination under Perfect Competition, Monopolistic Competition and Monopoly. **(15 Hours)**

UNIT-IV

Recent changes in Indian Economy: Macro Economic Aggregates and Concepts - National Income - GDP, GNP, NNP, WPI, CPI - *Types of Inflation*: Demand Pull and Cost Push Inflation, Philips curve, Stagflation - Measurement of Inflation - Economics of Risk & Finance - Monetary Policy & Fiscal Policy. **(16 Hours)**

UNIT-V

Trade Cycles: Phases, Theories, and Corrective Measures - Behavioral and Technical Function: Aggregative Demand and Supply, Consumption Function, and Investment Function - Keynesian Theory (overview)**(12 Hours)**

Case Study (Not Exceeding 300words) Or Problem from eitherUnit-2orUnit-3

PRACTICALCOMPONENTS:

- ✓ Study of demand elasticity for a product when there is a price increase or price decrease.
- ✓ Demandforecasting–Miniprojectmaybegiventostudentstoassessthedemandforaproduct or a service using any method.
- ✓ An in-depth study of economic indicators on the growth rate.
- ✓ Analysis of recent budget, fiscal discipline and disinvestment proposals of the GOI.

REFERENCETEXTBOOKS:

1. JoelDean, *Managerial Economics*, Prentice Hall.
2. Mote&Paul, *Managerial Economics*, TataMcGrawHill.
3. Gupta, *Managerial Economics*, TataMcGraw Hill.
4. Gupta, *MacroEconomics, Theory & Applications*, Tata McGrawHill.
5. MehtaP.L, *Managerial Economics* –Text and Cases, S.Chand&Co.
6. Peterson &Lewin, *Managerial Economics*, Prentice Hall of India.
7. Person H.Craig, LewisW.Ch and Jain Sudhir K, *Managerial Economics*, Pearson

Education

MODEL QUESTION PAPER
PARVATHANENI BRAHMAYYA SIDDHARTHA COLLEGE OF ARTS & SCIENCE
M.B.A. (REGULAR) DEGREE EXAMINATION
First Semester
20BA102: MANAGERIALECONOMICS
W.e.f 2022-2023

Duration: 3 hours **Maximum Marks: 70**

SECTION - A

Answer ALL Questions **5×4=20 Marks**

1. (A)Theory of Demand (CO1) (L2)
   (OR)
   (B)Demand forecasting (CO1) (L2)
2. (A)Sales Maximization theory (CO2) (L2)
   (OR)
   (B)ISO Quants (CO2) (L2)
3. (A)Abnormal Profit (CO3) (L2)
   (OR)
   (B)Monopolistic competition (CO3) (L2)
4. (A)Merits of Monetary policy (CO4) (L2)
   (OR)
   (B)Hyper Inflation Examples (CO4) (L2)
5. (A)Keynes theory (CO5) (L2)
   (OR)
   (B)Uses of Investment function (CO5) (L2)

SECTION - B

Answer ALL Questions5×8=40 Marks

6. (A) Discuss the role of Managerial economist in different situations of an economy (CO1) (L3)

(OR)

(B) Explain different methods of forecasting of the demand of a new product. (CO1) (L3)

7. (A) What are the major propositions of Managerial theories of the firm? (CO1) (L2)

(OR)

(B)Discuss the economies and diseconomies of “Return to Scale” (CO1) (L3)

8. (A) How price and output is determined under monopoly and monopolistic competition. (CO1) (L4)

(OR)

(B) How different cost concepts are useful in managing business organizations. (CO4) (L2)

9. (A) Briefly discuss the implications of various inflations occurred in emerging economies. (CO 5) (L4)

(OR)

(B) Discuss the reforms undertaken by government of India. (CO4) (L4)

10. (A) Explain various types of trade cycles and their consequences (CO5) (L3)

(OR)

(B) Explain the steps to be taken to increase the aggregate consumption. (CO 4) (L2, L5)

SECTION - C **(1 x 10 =10 marks)**

Case study (Compulsory)

11. Allied Surgical Ltd. manufactures surgical instruments. The normal production of an instrument is 2600 units per month at a total cost of Rs.32, 000. At full capacity it can manufacture 3,400 units per month at a total cost of Rs.38, 000. A dealer abroad offers to purchase 500 instruments over a month at a price of Rs.10 per instrument under a different brand name. Do you advise the company to accept the offer? (CO4) (L5)

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