

## **6303      Managerial Economics**

### **Objectives**

The Objectives of this course is to acquaint the participants with concepts and techniques used in Micro-Economic Theory and to enable them to apply this knowledge in business decision-making. Emphasis is given to changes in the nature of business firms in the context of globalisation.

### **Course Contents**

1. Scope, Concepts and Techniques of Managerial Economics, Nature of business decision-making, Marginal analysis, optimization; Demand functions, Law of Demand - Utility Concept, Cardinal and Ordinal Approach, Income and substitution effects.
2. Elasticity of Demand; Price Elasticity, Income Elasticity, Cross Elasticity, Advertising Elasticity.
3. Demand forecasting, Production Function, Concept, Isoquants, Equilibrium, Law of Variable Proportions, Law of Returns to Scale, Cost Function, Types of Costs, Theory of Firm - Profit Maximization, Sales Maximization.
4. Market Structure: Concept of Equilibrium, Perfect Competition, Monopoly, Monopolistic, Oligopoly, Theoretical Concept of Pricing, Pricing Policies in Practices Non-Price Competition.
5. Macro Economics : Aggregates and Concepts -GNP and GDP-Aggregate Consumption-Demand, Balance of Payments, Monetary Policy Fiscal Policy; Concept and Measurement of National Income; Determination of National Income, Multiplier Effect & Accelerator.

### **Suggested Readings**

1.     *Adhikary, M. Business Economics., New Delhi, Excel Books, 2000.*

2. *Baumol, W J. Economic Theory and Operations Analysis. 3rd ed., New Delhi, Prentice Hall Inc., 1996.*
3. *Chopra, O.P. Managerial Economics. New Delhi Tata McGraw Hill 1985.*
4. *Keat, Paul G & Philips K. Y. Young, Managerial Economics, Prentice Hail, New Jersey, 1996.*
5. *Koutsoyiannis, A. Modern Micro Economics. New York, Macmillan, 1991.*
6. *Milgrom, P and Roberts J. Economics, Organization and Management. Englewood Cliffs, New Jersey, Prentice Hall Inc., 1992.*