

F.Y.B.B.A. Semester-I

Effective from June 2011

**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, case studies, assignments & presentations.

**COURSE CONTENT:**

Topics	Weightage
<p><b><u>I NATURE &amp; SCOPE OF MANAGERIAL ECONOMICS</u></b></p> <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>• Managerial Economics and Decision Sciences</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>	30%
<p><b><u>II MARKET STRUCTURE ANALYSIS</u></b></p> <ul style="list-style-type: none"> <li>➤ Introduction to Theory of Market Structure</li> <li>• Features of Market</li> <li>• Classification of Market</li> <li>• Factors affecting size of Market</li> <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> <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> <li>• Price Discrimination</li> <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> <li>Effects of Price discrimination</li> </ul>	30%

<ul style="list-style-type: none"> <li>• Dumping</li> <li>Meaning of Dumping</li> <li>Motives of Dumping</li> <li>➤ Price Determination under Monopolistic Competition</li> <li>• Features of Monopolistic competition</li> <li>• Nature of Demand curve</li> <li>• Concept of Group Equilibrium</li> <li>• Price &amp; output determination in short-run &amp; Long-run under Monopolistic competition</li> <li>• Selling cost</li> <li>➤ Pricing under Oligopoly</li> <li>• Features of oligopoly</li> <li>• Kinky Demand curve</li> <li>• Price Leadership</li> </ul> <p><b>III <u>PROFIT PLANNING</u></b></p> <ul style="list-style-type: none"> <li>➤ Introduction on Profit planning &amp; Investment</li> <li>➤ Gross profit, Net profit, Normal profit, Supernormal profit, Accounting profit, Economic profit</li> <li>• Characteristics of profit</li> <li>• Profit Management , Profit Policy, Profit Forecasting</li> <li>• Concept of Risk &amp; Uncertainty</li> <li>• Theories of Profit</li> </ul> <p>Francis Walker, FB Hawley, JB Clark, FH Knight, JA Schumpeter, Prof. Taussig</p> <p><b>IV <u>CASE STUDIES</u></b></p>	<p>30%</p> <p>10%</p>
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**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*