

**Course Title : Managerial Economics**

**Semester : I**

**Credit : 2**

**Duration : 20 hrs**

Course Outcome	Description	Cognition	Hours	Evaluation Tools
After the completion, of the course, students should be able to				
CO1	Understand the fundamental theories and concepts of managerial economics.	L2: Understand	3.75	Internal Evaluation: Class Test & Assignment End term: Theory Question
CO2	Apply the key concepts and techniques of microeconomics to recognize and solve business problems faced by an organization.	L3: Apply	3.75	Internal Evaluation: Class Test & Assignment End term: Theory Question
CO3	Examine the relationship between production function and cost for managerial decision-making.	L4: Analyze	2.5	Internal Evaluation: Class Test & Assignment End term: Numerical/Theory Question
CO4	Analyze the impact of macroeconomic factors on business decision-making.	L4: Analyze	6.25	Internal Evaluation: Class Test & Assignment End term: Theory Question
CO5	Evaluate the intent and outcomes of monetary and fiscal policies to address the economic issues.	L5: Evaluate	3.75	Internal Evaluation: Class Test & Assignment End term: Theory Question

### Mapping with CO-PO

1 – Low, 2 – Medium, 3 – High, 0 – Low

COs	PO1	PO2	PO3	PO4	PO5
CO-1	3	2	1	3	1
CO-2	3	3	2	3	2
CO-3	3	3	2	3	2
CO-4	3	3	2	3	2
CO-5	3	3	2	3	2
CO	3	2.8	1.8	3	1.8
CO EQ	3	3	2	3	2

**Session Plan:**

Session	Hours	Topic	COs	Cognition	Evaluation Tools
1	1.25	<b>The Nature and Scope of Managerial Economics and Theory of the Firm</b>			
	1.25	<ul style="list-style-type: none"> <li>What is Economics and Managerial Economics? - Scope of Managerial Economics.</li> <li>Economic Principles: Concept of Scarcity, Opportunity Cost, PPC, Margin, Increment &amp; Discounting Principle.</li> <li>Objective of the Firm: Maximization Theory of Profit, Sales Revenue, Growth, Managerial Utility Function &amp; the Wealth of Stockholders under risk and uncertainty.</li> </ul>	CO-1 Understand the fundamental theories and concepts of managerial economics.	L2: Understand	Class Test Assignment <u>End term</u> Theory Question
2 & 3	2.50	<b>Demand, Supply, and Market Equilibrium</b>			
	0.50	<ul style="list-style-type: none"> <li>Definition of Demand - Demand Function - Law of Demand</li> <li>Law of Supply - Supply Function, Schedule</li> </ul>	CO-1 Understand the fundamental theories and concepts of managerial economics.	L2: Understand	Class Test Assignment <u>End term</u> Theory Question
	2.00	<ul style="list-style-type: none"> <li>Demand and Various Types of Goods - Demand Schedule and Demand Curve - Determinants of Demand - Changes in Quantity Demanded Vs. Changes in Demand - Individual Demand and Market Demand.</li> <li>Supply Schedule and Supply Curve - Determinants of Supply - Change in Quantity Supplied Vs. Change in Supply - Individual Supply and Market Supply.</li> <li>Market Equilibrium - Effects of Changes and Simultaneous Changes in Demand and Supply.</li> </ul>	CO-2 Apply the key concepts and techniques of microeconomic s to recognize and solve business problems faced by an organization.	L3: Apply	Class Test Assignment <u>End term</u> Theory Question
4	1.25	<b>Elasticity of Demand</b>			
	1.25	<ul style="list-style-type: none"> <li>Price Elasticity of Demand -Degrees of Elasticity - Point and Arc Elasticity - Price Elasticity and Total Revenue.</li> <li>Cross-Price Elasticity</li> <li>Income Elasticity</li> </ul>	CO-2 Apply the key concepts and techniques of microeconomic s to recognize and solve business problems faced	L3: Apply	Class Test Assignment <u>End term</u> Theory Question

			by an organization.		
5 & 6	2.50	<b>Supply-Side Economics: Theory of Production and Cost</b>			
	2.50	<ul style="list-style-type: none"> <li>Definition of Production - Short Run and Long Run Function of Production - Classification of Factors of Production - Law of Diminishing Marginal Returns.</li> <li>Concepts of Revenue: Total Revenue (TR) and Marginal Revenue (MR).</li> <li>Cost Concepts - Costs Curve in the Short Run and Long Run - Returns to Scale – Break-Even Analysis - Margin of Safety - Total Economic Cost - Economic Profit.</li> </ul>	CO-3 Examine the relationship between production function and cost for managerial decision-making.	L4: Analyze	Class Test Assignment <u>End term</u> Numerical/Theory Question
7	1.25	<b>Market Structure: Introduction and Basic Features</b>			
	1.25	Market Morphology - Perfect Competition, Monopoly, Monopolistic Competition, and Oligopoly: Market Features – Existence in Real World(examples).	CO-1 Understand the fundamental theories and concepts of managerial economics.	L2: Understand	Class Test Assignment <u>End term</u> Theory Question
8 & 9	2.50	<b>Nature and Scope of Macroeconomics and National Income: Concept and Measurement</b>			
	1.25	<ul style="list-style-type: none"> <li>Definition and Nature of Macroeconomics - Circular Flow: Two, Three and Four Sector Economy - Aggregate Demand &amp; Supply - Consumption &amp; Investment.</li> </ul>	CO-1 Understand the fundamental theories and concepts of managerial economics.	L2: Understand	Class Test Assignment <u>End term</u> Theory Question
	1.25	<ul style="list-style-type: none"> <li>National Income: GDP/GNP, Nominal, Real and Deflator - GDP at Factor Cost &amp; Market Price - Methods of Measuring National Income – NDP, National Income (NI) and Per-Capita Income (PCI) - Personal Income (PI) and Disposable Income (DI) - National Income Estimates Based on New Series (Base Year 2011-12) – GVA.</li> </ul>	CO-4 Analyze the impact of macroeconomic factors on business decision-making.	L4: Analyze	Class Test Assignment <u>End term</u> Theory Question
10 & 11	2.50	<b>Inflation: Theories and Control Measures</b>			

	2.50	<ul style="list-style-type: none"> <li>• Inflation, Deflation, Disinflation, and Stagflation - Methods of Measuring Inflation: WPI/PPI, CPI and GDP Deflator - Kinds of Inflation - Degrees or Types of Inflation.</li> <li>• Modern Theories of Inflation - Demand-Pull and Cost-Push Inflation - Inflation and Money Supply - Inflation and Interest Rates - Effects of Inflation - Philips Curve - Policy Measures to Control Inflation.</li> </ul>	CO-4 Analyze the impact of macroeconomic factors on business decision-making.	L4: Analyze	Class Test Assignment <u>End term</u> Theory Question
12 & 13	2.50	<b>Monetary Policy</b>			
	2.50	<ul style="list-style-type: none"> <li>• Evolution of Money – Functions of Money - The Value of Money - The Quantity Theory of Money - The Neutrality of Money.</li> <li>• Demand for Money and Supply of Money - Money Creation by the Commercial Bank - Banks and the Money Supply - The Money Multiplier - Deposit Creation and Deposit Multiplier - Credit Multiplier.</li> <li>• Monetary Policy: Meaning, Scope, and Quantitative and Qualitative Instruments.</li> </ul>	CO-5 Evaluate the intent and outcomes of monetary and fiscal policies to address the economic issues.	L5: Evaluate	Class Test Assignment <u>End term</u> Theory Question
14	1.25	<b>Fiscal Policy and Union Budget</b>			
	1.25	<ul style="list-style-type: none"> <li>• Meaning and Objectives of Fiscal Policy - Fiscal Instruments &amp; Target Variables - Fiscal Deficit - Union Budget 2022-2023.</li> </ul>	CO-5 Evaluate the intent and outcomes of monetary and fiscal policies to address the economic issues.	L5: Evaluate	Class Test Assignment <u>End term</u> Theory Question
15 & 16	2.50	<b>Balance of Payment</b>			
	2.50	<ul style="list-style-type: none"> <li>• Meaning, Purpose, and Structure of Balance of Payments: Basic Principles - Balance of Trade (BOT) - Assessment of BOP Disequilibrium - Capital Account Convertibility - Special Drawing Rights.</li> <li>• Calculating Exchange Rate Changes - Appreciation, Depreciation, Devaluation, and Revaluation - Exchange Rate in Free Market and Fixed Exchange</li> </ul>	CO-4 Analyze the impact of macroeconomic factors on business decision-making.	L4: Analyze	Class Test Assignment <u>End term</u> Theory Question

		Rate System - The Real Exchange Rate: NEER and REER - Purchasing Power Parity.			
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<b>Pedagogy</b>	
1. Lecture	
2. Case Study	
3. News/Article Analysis	
4. Live Activity/Exercise	
5. Videos	
<b>Evaluation:</b>	
Internal	40%
External	60%
Total	100%

<b>Evaluation:</b>
Internal Assessment
External Assessment
Total

<b>External Assessment:</b>
End Term Examination

#### Parameters of Internal Assessment:

1. Class Test
2. Assignment
3. Class Participation
4. Attendance

#### Assessment Mapping:

Parameter	Marks	CO-1	CO-2	CO-3	CO-4	CO-5
Internal	20	17.5%	20%	20%	22.5%	20%
Attendance	5	20%	20%	20%	20%	20%
Class Participation	5	20%	20%	20%	20%	20%
Class Test	5	10%	20%	20%	30%	20%
Assignment	5	20%	20%	20%	20%	20%
End Term	30	10%	20%	20%	30%	20%

<b>Textbook:</b>
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Managerial Economics (ME)	D. N. Dwivedi, 9th Edition, Vikas Publishing House Pvt Ltd, 2022.
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<b>Reference Books:</b>	
Managerial Economics (MEG)	Geetika, Piyali Ghosh and Purba Roy Choudhury, 3rd Edition, McGraw Hill Education Pvt Ltd, 2017.
Managerial Economics Principles and Worldwide Applications (MEPWA)	Dominick Salvatore and Siddhartha K. Rastogi, 8th edition, Oxford University Press, 2016.
Managerial Economics (MEK)	Paul G. Keat. Philip K.Y. Young and Sreejata Banerjee, 7th Edition, Pearson Education, New Delhi, 2017.
Managerial Economics (MET)	Christopher R. Thomas, S. Charles Maurice, and Sumit Sarkar, 9 <sup>th</sup> Edition, Tata McGraw Hill Education Pvt Ltd, New Delhi, 2011.
Macroeconomics Policy Environment (MPE)	Shyamal Roy. 2 <sup>nd</sup> Edition, McGraw Hill Education Pvt Ltd, New Delhi, 2016.
Principles of Economics	N. Gregory Mankiw, 7th Edition, Cengage Learning India Pvt Ltd, 2015.
Economics	Lipsey and Chrystal, 13 <sup>th</sup> International Edition, Oxford University Press, 2015.
Macroeconomics	Dornbusch Rudiger, Fischer, Stanley, Startz, 12th Edition, McGraw Hill Education, 2018.

<b>eBooks:</b>	
Managerial Economics (ME)	D. N. Dwivedi, 8th Edition, Vikas Publishing House Pvt Ltd, 2015.
Managerial Economics	Suma Damodaran, 2nd edition, Oxford University Press, 2010.
Principles of Economics	N. Gregory Mankiw, 7th Edition, Cengage Learning India Pvt Ltd, New Delhi 2015.
Managerial Economics	R. Panneerselvam, P. Sivasankaran & P. Senthilkumar, 1st Edition Cengage Learning India Pvt Ltd, 2018.
Managerial Economics Principles and Worldwide Applications (MEPWA)	Dominick Salvatore and Siddhartha K. Rastogi, 9th edition, Oxford University Press, 2020.
Microeconomics: Markets, Methods, and Models	Douglas Curtis and Ian Irvine, LYRYX Service Course Solution, 2014. <a href="https://laecon1.lyryx.com/textbooks/OPEN_CURTIS_MIC_1/marketing/CurtisIrvine-Microeconomics-2017A.pdf">https://laecon1.lyryx.com/textbooks/OPEN_CURTIS_MIC_1/marketing/CurtisIrvine-Microeconomics-2017A.pdf</a>
Simplified Principles of Microeconomics	Hazbo Skoko, 1 <sup>st</sup> Edition, Bookboon.com, 2015. <a href="https://bookboon.com/en/simplified-principles-of-microeconomics-ebook#download">https://bookboon.com/en/simplified-principles-of-microeconomics-ebook#download</a>
Principles of Microeconomics for AP courses	Timothy Taylor, Openstax College, Rice University, 2015. <a href="https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/PrinciplesofMicroeconomicsforAPCourses-OP.pdf">https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/PrinciplesofMicroeconomicsforAPCourses-OP.pdf</a>
Principles of Economics	Timothy Taylor, Openstax College, Rice University, 2014. <a href="https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/PrinciplesofEconomics-OP.pdf">https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/PrinciplesofEconomics-OP.pdf</a>
Essentials of Macroeconomics	Peter Jochumzen, 1 <sup>st</sup> Edition, Bookboon.com, 2010. <a href="https://bookboon.com/en/macroeconomics-uk-ebook">https://bookboon.com/en/macroeconomics-uk-ebook</a>
Practical Guide to Contemporary Economics	Yuri Yevdokimov, Bookboon.com, 2012. <a href="https://bookboon.com/en/practical-guide-to-contemporary-economics-ebook">https://bookboon.com/en/practical-guide-to-contemporary-economics-ebook</a>