

24/12/2022-2

Veer Narmad South Gujarat University 2
Economics for Managers
First Year BBA (Semester-2) -With Effect from AY2023-24

Course	DSCC 3- MAJOR
Course Title	<u>Economics for Managers</u>
Credit	4
Teaching per Week	4 Hours
Review / Revision	Oct, 2023
Minimum weeks / Semester	16 (Lectures, Practical examples from corporate & business world , Guest Lectures, Case Study, Presentations, Group Assignments)
Medium of Instruction	English
Purpose of Course	To acquaint students about complete and rigorous introduction to basic principles of managerial economics and macro economics
Course Objective	<ul style="list-style-type: none"> To apply micro economic concepts and techniques in evaluating business decisions taken by firms.
Course Outcome	<p>The students will be able to</p> <ul style="list-style-type: none"> To demonstrate how applications of economic theory can improve decision making. Apply the knowledge of the mechanics of supply and demand to explain working of markets Describe how changes in demand and supply affect markets Understand the choices made by a rational consumer Explain relationships between production and costs Define key characteristics and consequences of different forms of markets Understand effect of Inflation in Business policy and managerial Decision
Course Content -	
Unit 1: Introduction to Managerial Economics (20%) <ul style="list-style-type: none"> Introduction - What Managerial Economics is about?, Definitions of Managerial Economics Nature & Scope of Managerial Economics Chief Characteristics of Managerial Economics Significance of Managerial Economics Fundamental concepts in Managerial Economics (Opportunity Cost, Discounting and Equi-Marginal) Role & Responsibilities of a Managerial Economist in Business. 	
Unit 2: Market Structure Analysis-1 (20%) <ul style="list-style-type: none"> Perfectly Competitive Market 	

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- ✓ Price Determination under Perfect Competition
- ✓ Features of a Perfectly competitive market
- ✓ Demand curve facing the Firm & Industry under Perfect competition
- ✓ Equilibrium of the Firm & Industry under Perfect competition in Short-run & Long run
- **Monopoly**
 - ✓ Price Determination under Monopoly
 - ✓ Features & causes of Monopoly
 - ✓ Nature of Demand curve & Marginal revenue curve under Monopoly
 - ✓ Price & output under Monopoly in Short-run & Long-run
- **Price Discrimination**
 - ✓ Meaning of Price discrimination
 - ✓ Forms of Price discrimination
 - ✓ Degrees of Price discrimination
 - ✓ Conditions under which Price discrimination is possible & profitable

Unit 3: Market Structure Analysis-2

(25%)

- **Price Determination under Monopolistic Competition**
 - ✓ Features of Monopolistic competition
 - ✓ Nature of Demand curve (AR) & Marginal Revenue(MR) curves
 - ✓ Concept of Group Equilibrium
 - ✓ Price & Output determination in short-run & Long Run under Monopolistic Competition
- **Oligopoly** :Features, Kinked Demand Curve, Price Leadership (Types, Characteristics, Advantages)

Unit 4: Production Analysis

(25%)

- **Production Function**
 - ✓ Meaning & classification of Factors of Production
 - ✓ Meaning & significance of Production Function in Business
 - ✓ Cobb-Douglas Production function
- **Theory of Production**
 - ✓ Concept of Total Product, Average Product and Marginal Product
 - ✓ Law of Variable Proportions
 - ✓ Returns to Scale
- **Production Function with Two Variable Inputs**
 - ✓ Meaning & General Properties of Iso-Quants
 - ✓ Marginal Rate of Technical Substitution(MRTS)
- **Optimum Factor Combination**
 - ✓ Concept of Iso-Cost Lines
 - ✓ Least Cost Combination of Factors (Choice of Inputs)
 - ✓ The Economic Region of Production (Ridge Lines)
 - ✓ Expansion Path

Unit 5: Inflation

(10%)

Meaning of Inflation, Causes of Inflation, Types of Inflation (Demand pull and Cost push inflation), Effects of Inflation, Anti Inflationary Measures.

Suggested Readings:

1. Managerial Economics - Analysis, Problems and Cases - P. L. Mehta, Sultan Chand

2. Managerial Economics in a Global Economy - Dominick Salvatore, Thomson South Western
3. Managerial Economics: Application, Strategy & Tactics - Moyers, Harris
4. Managerial Economics - D M Mithani, Himalaya Publishing House
5. Essentials of Managerial Economics - P. N. Reddy, Himalaya Publishing House
6. Managerial Economics - G S Gupta, TataMc Graw-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, TataMcGraw-Hill

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