

Syllabus Outline

1. GENERAL

This subject provides students with a basic understanding of the economic influences on business and it also provides students with the opportunity to understand the broad economic contexts in which business operates. It offers an introductory treatment of consumer and business behavior in competitive markets, the effects of government policies on market outcomes, and the basic economic concepts used in business analysis and decision-making. Economics for Business also equips students with basic analytical skills to examine the impact of these economic forces on business conditions and how various tools of microeconomics can be used to analyze practical business problems.

1.1 COURSE TITLE: **Managerial Economics**

1.2 COURSE NUMBER: MT5101

1.3 CONTACT HRS: (30 Hours- teaching 10 hours- Project)

Credits: 08

1.4 SEMESTER -OFFERED: Electives

1.5 PREREQUISITE: Basic understanding of Futures & Options

1.6 SYLLABUS COMMITTEE MEMBER: Visiting Faculty (Course Instructor), Dr. Sanjay Kumar Kar & Dr. Debashish Jena

2. OBJECTIVE

- ✓ Understand and apply supply and demand analysis to relevant economic issues;
- ✓ Apply marginal analysis to the “firm” under different market conditions;
- ✓ Understand the causes and consequences of different market structures;
- ✓ Analyse and propose solutions to the basic problems faced by firms using knowledge of consumer behavior, production costs, market structures and the macroeconomic environment ;
- ✓ Understand the basic analytical skills, insights and managerial decision-making tools required for sound business decisions.

3. COURSE CONTENT

Unit I

(06 hours)

- Introduction to Economics: Broad introduction to the subject and nature and significance of Managerial Economics
- Demand Analysis: Concept of price, income and elasticity of demand and Demand Forecasting

Unit II

(08 hours)

- Theory of Supply
- Utility Function

Unit III

(08 hours)

- Theory of Production: Cost and Revenue Analysis
- Market Structure: different types of market, price and output determination and Market with Asymmetric Information

Unit IV

(08 hours)

- Game Theory and Competitive Strategy
- Externalities and Public Goods
- Risk and Uncertainty; Decision making under uncertainty

4. TEXT BOOKS:

Micro Economics, (2014, 7th Edition) Pindyck, Rubinfeld and Mehta (referred as ME-PRM)

Reference Books:

- Levy, H & Sarnat M: Capital Investment and Financial Decisions, Prentice Hall.
- Investments, Bodie, Kane and Mohanty, McGraw Hill.

5. COURSE OUTCOMES

On the completion of this course the participants are expected to:

- Application of the tools and techniques using empirical data would be a frequent practice during the course. Major emphasis is laid on applications of excel spreadsheet modeling in financial decision making.
- To enrich the learning process through exposure to real life cases / business situations and live projects.