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| Program : Diploma in Commercial Practice | |
| Course Code : 1143 | Course Title: Managerial Economics |
| Semester : 1 | Credits: 4 |
| Course Category: Foundation Course | |
| Periods per week: 4 (L:3, T:1, P:0) | Periods per semester: 60 |

Course Objectives:

- To provide an insight into the fundamental concepts of Managerial Economics and its application in business decision making.

Course Prerequisites:

| Topic | Course name |
|------------------------|------------------|
| Awareness of Economics | Secondary School |

Course Outcomes:

On completion of the course, the student will be able to:

| CO _n | Description | Duration (Hours) | Cognitive Level |
|-----------------|---|------------------|-----------------|
| CO1 | Apply fundamental knowledge of managerial economics. | 12 | Applying |
| CO2 | Identify the concepts of demand and supply and compare law of demand and law of supply. | 19 | Applying |
| CO3 | Interpret production theory and cost theory. | 15 | Applying |
| CO4 | Identify pricing under different market forms. | 12 | Applying |
| | Series Test | 2 | |

CO - PO Mapping

| Course Outcomes | PO1 | PO2 | PO3 | PO4 | PO5 | PO6 | PO7 |
|-----------------|-----|-----|-----|-----|-----|-----|-----|
| CO1 | 3 | | | | | | |
| CO2 | | 3 | | | | | |
| CO3 | | 3 | | | | | |
| CO4 | | 3 | | | | | |

3-Strongly mapped, 2-Moderately mapped, 1-Weakly mapped

Course Outline:

| Module outcomes | Description | Duration (Hours) | Cognitive Level |
|--|--|------------------|-----------------|
| CO1 | Apply fundamental knowledge of managerial economics. | | |
| M1.01 | Explain the nature and scope of managerial economics. | 3 | Understanding. |
| M1.02 | Interpret the terms human wants and goods. | 3 | Applying |
| M1.03 | Relate the terms wealth and welfare- value and price. | 1 | Understanding. |
| M1.04 | Classify the concept of utility. | 2 | Understanding. |
| M1.05 | Analyze the law of diminishing marginal utility. | 3 | Applying |
| Contents: Introduction to Managerial Economics: Explain the Meaning and definitions of economics - Meaning and Definition of Managerial Economics - Nature, Scope and importance of Managerial Economics - Role of Managerial Economist in Business decision making - Meaning of human wants, Characteristics of wants and Types of wants - Meaning of goods and classifications of goods - Meaning of wealth and welfare - Meaning of value and price - Meaning of Standard of living - Concept of utility - Kinds of utility - Law of Diminishing Marginal Utility - Limitations and exceptions of the law of Diminishing Marginal Utility. | | | |
| CO2 | Identify the concepts of demand and supply and compare law of demand and law of supply. | | |
| M2.01 | Define the term demand & Explain factors affecting demand. | 4 | Understanding |
| M2.02 | Identify the law of demand and compare demand schedule and demand curve. | 5 | Applying |

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|-------|---|---|---------------|
| M2.03 | Explain the reasons for downward sloping of demand curve. | 4 | Understanding |
| M2.04 | Explain the concept of elasticity of demand. | 3 | Applying |
| M2.05 | Explain law of supply and elasticity of supply. | 3 | Applying |
| | Series Test-I | 1 | |

Contents:

Theory of Demand and Supply: Meaning of Demand - Determinants of demand - Types of demand -- Law of demand - Demand Curve and Demand Schedule - Assumptions and exceptions to the law of demand- Reasons for downward sloping of demand curve - Change in Demand and Change in Quantity Demand- Elasticity of demand - Factors affecting elasticity of demand - Types of elasticity of demand - Methods of Measurement of elasticity of demand - Law of supply - Types of supply schedule -Determinants of Supply- Exceptions to the law of supply - Change in supply - Elasticity of Supply - Types of elasticity of supply - Equilibrium Price.

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|------------|---|---|---------------|
| CO3 | Interpret production theory and cost theory. | | |
| M3.01 | Define production and explain its factors. | 2 | Understanding |
| M3.02 | Compare Law of Variable Proportion and Law of Returns to scale. | 6 | Applying |
| M3.03 | Explain cost theory. | 5 | Understanding |
| M3.04 | Interpret the concept Economies of scale. | 2 | Understanding |

Contents:

Introduction to production theory and cost theory:

Production Theory: Production - Factors of production - production functions - Law of variable proportion and Law of returns to scale.

Cost Theory: Types of Cost - Cost Function - Cost curves - Fixed cost curve - Variable cost Curve - Total cost curve - Average Fixed cost Curve - Average Variable Curve - Average Cost Curve - Marginal Cost Curve - Economies of scale - Diseconomies of scale.

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| CO4 | Identify pricing under different market forms. | | |
| M4.01 | Explain Revenue concept. | 1 | Understanding |
| M4.02 | Explain the peculiarities of each type of market forms. | 3 | Understanding |
| M4.03 | Identify pricing under Perfect Competition, Monopolistic Competition and Monopoly. | 7 | Applying |

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|--|-----------------------------|---|---------------|
| M4.04 | Explain Pricing Strategies. | 1 | Understanding |
| | Series Test-II | 1 | |
| Contents: Forms of market and pricing policy: Concepts of Total Revenue, Average Revenue & Marginal Revenue - Various Forms of Market and its features - Perfect Competition, Monopoly, Monopolistic Competition, Oligopoly, Duopoly - Pricing under Perfect Competition, Monopolistic Competition and Monopoly- Concept of various methods /strategies of pricing. | | | |

Text / Reference

| T/R | Book Title/Author |
|-----|--|
| T1 | Maheswari.K. L and Varshney. <i>Managerial Economics</i> . Sultan Chand & Sons, New Delhi. |
| R1 | Gupta G.S. <i>Managerial Economics</i> . Tata McGraw-Hill Publishing Co. Ltd. New Delhi. |
| R2 | Dwivedi N.D. <i>Managerial Economics</i> . Vikas Publishing House, New Delhi. |
| R3 | Reddy P.N and Appanniah. <i>H.R. Principles of Business Economics</i> . S. Chand & Co. Ltd. New Delhi. |

Online Resources:

| Sl.No | Website Link |
|-------|--|
| 1 | www.economicstimes.indiatimes.com |
| 2 | www.investopedia.com |
| 3 | www.economicshelp.org |