

MANAGERIAL ECONOMICS

CREDITS:	3
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OBJECTIVE:

- To introduce the concepts of scarcity and efficiency.
- To explain principles of microeconomics relevant to managing an organization.
- To describe principles of macroeconomics and have the understanding of economic environment of business.

UNIT I - INTRODUCTION

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The themes of economics – scarcity and efficiency – three fundamental economic problems – society's capability – Production possibility frontiers (PPF) – Productive efficiency Vs economic efficiency – economic growth & stability – Micro economies and Macro economies – the role of markets and government – Positive Vs negative externalities.

UNIT II - CONSUMER AND PRODUCER BEHAVIOUR

9

Market – Demand and Supply – Determinants – Market equilibrium – elasticity of demand and supply – consumer behavior – consumer equilibrium – Approaches to consumer behavior – Production – Short-run and long-run Production Function – Returns to scale – economies Vs diseconomies of scale – Analysis of cost – Short-run and long-run cost function – Relation between Production and cost function.

UNIT III - PRODUCT AND FACTOR MARKET

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Product market – perfect and imperfect market – different market structures – Firm's equilibrium and supply – Market efficiency – Economic costs of imperfect competition – factor market – Land, Labour and capital – Demand and supply – determination of factor price – Interaction of product and factor market – General equilibrium and efficiency of competitive markets.

UNIT IV - PERFORMANCE OF AN ECONOMY – MACRO ECONOMICS

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Macro-economic aggregates – circular flow of macroeconomic activity – National income determination – Aggregate demand and supply – Macroeconomic equilibrium – Components of aggregate demand and national income – multiplier effect – Demand side management – Fiscal policy in theory.

UNIT V - AGGREGATE SUPPLY AND THE ROLE OF MONEY

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Short-run and Long-run supply curve – Unemployment and its impact – Okun's law – Inflation and the impact – reasons for inflation – Demand Vs Supply factors – Inflation Vs

Unemployment tradeoff – Phillips curve –short- run and long-run –Supply side Policy and management- Money market- Demand and supply of money – money-market equilibrium and national income – the role of monetary policy.

TOTAL: 45PERIODS

OUTCOME:

- Learners are expected to become familiar with both principles of micro and macro economics. They would also become familiar with application of these principles to appreciate the functioning of both product and input markets as well as the economy.

REFERENCES :

1. Paul A. Samuelson, William D. Nordhaus, Sudip Chaudhuri and Anindya Sen, Economics, 19th edition, Tata McGraw Hill, New Delhi, 2011
2. William Boyes and Michael Melvin, Textbook of economics, Biztantra, 2005.
3. N. Gregory Mankiw, Principles of Economics, 8 th edition, Thomson learning, New Delhi, 2016.
4. Richard Lipsey and Alec Charystal, Economics, 12th edition, Oxford, University Press, New Delhi, 2011.
5. Karl E. Case and Ray C. fair, Principles of Economics, 7th edition, Pearson, Education Asia, New Delhi, 2003.
6. Panneerselvam. R, Engineering Economics, Second Edition, PHI Learning, 2013.