



MARRI LAXMAN REDDY INSTITUTE OF TECHNOLOGY AND MANAGEMENT

(AN AUTONOMOUS INSTITUTION)

(Approved by AICTE, New Delhi & Affiliated to JNTUH, Hyderabad)

Accredited by NAAC with 'A' Grade & Recognized Under Section 2(f) & 12(B) of the UGC act, 1956

COURSE CONTENT

BUSINESS ECONOMICS								
I SEMESTER								
Course Code	Category	Hours/Week			Credits	Maximum Marks		
20MBA003	CORE	L	T	P	C	CIE	SEE	Total
		4	0	-	4	40	60	100
Contact Classes: 60	Tutorial Classes: Nil	Practical Classes: Nil			Total Classes: 60			
Prerequisite: Basic concepts of economics								

COURSE OVERVIEW:

This course is designed to help students understand the economic objectives of firms and support optimal decision-making. Managerial Economics examines both microeconomic and macroeconomic factors, including market conditions, population growth, and overall economic growth. The course covers key topics such as production management, demand and supply analysis, cost of production, market structures, pricing methods, pricing strategies, and output decisions. It also introduces the application of mathematical and statistical tools to analyze economic data and facilitate informed managerial decision-making.

COURSE OBJECTIVES:

- Identify the core principles and basic concepts of business economics.
- Explain the key determinants of demand and supply and their interaction in establishing market equilibrium
- Calculate and interpret various measures of production and cost to identify optimal production levels and cost efficiencies.
- Explain various market structures and their impact on firm conduct, performance and pricing decisions.
- Justify optimal pricing strategies for different market conditions, considering both economic theory and practical business implications.

COURSE OUTCOMES: After Completion of the course, students should be able to

1. Apply economic principles, opportunity cost, marginalism in business decision-making processes
2. Demonstrate the concepts of demand & supply, elasticity, market equilibrium and apply demand forecasting in business decisions.
3. production - cost functions, returns to scale for break-even analysis and managerial decisions.
4. Judge the price-output decisions in different market structures and their impact on firms

behavior.

5. Design various pricing strategies, theoretical foundations of the firm and international pricing practices

UNIT-I INTRODUCTION TO MANAGERIAL ECONOMICS

Definition, nature and scope, Relationship with other areas in economics, production management, marketing, finance and personnel, Operations research, The role of managerial economist, Basic economic principles: the concept of opportunity cost, incremental concept, scarcity, marginalism, Equi marginalism, time perspective, discounting principle, risk and uncertainty.

UNIT-II THEORY OF DEMAND

Demand Analysis, Elasticity of demand: types and significance of elasticity of demand, Demand estimation, Marketing research approaches to demand estimation, Need for forecasting, forecasting techniques, Supply Analysis, Supply function, the law of supply, elasticity of supply.

UNIT-III PRODUCTION ANALYSIS

Production function, Production functions with one and two variables, Cobb-Douglas production function. Marginal rate of technical substitution, ISO-quant's and ISO-costs, returns to scale and returns to factors, economies of scale, Innovations and global competitiveness.

UNIT-IV COST THEORY AND ESTIMATION

Cost concepts, determinants of cost, cost output relationship in the short run and long run, short run vs. long run costs, average cost curves, overall cost leadership.

UNIT-V MARKET STRUCTURE AND PRICING PRACTICES

Features and types of different competitive situations, price output determination in perfect competition, monopoly, monopolistic competition and oligopoly both the long run and short run; Pricing philosophy. Latest Amendments in Business Economics.

TEXT BOOKS:

- Geetika, Piyali Ghosh, Purba Roy Choudhury, Managerial Economics, Tata McGraw-Hill, 3e, 2018.
- HLAhuja, Business Economics, S. Chand&Co, 13e, 2019.
- D.M. Mithani, Managerial Economics, Himalaya Publishing House, 9e, 2022.
- Dominick Salvatore, Siddhartha K. Rastogi, Managerial Economics, Oxford Publications, 9e, 2020.

REFERENCE BOOKS:

1. Craig H. Petersen. Cris Lewis and Sudhir K. Jain,—Managerial Economics, Pearson, 14th Edition, 2012.
2. Dominick Salvatore, —Managerial Economics, Oxford Publications, 7th Edition, 2012.
3. Geetika, —Managerial Economics, TMH, 2nd Edition, 2012.

ELECTRONIC RESOURCES:

1. <http://2012books.lardbucket.org/pdfs/managerial-economics-principles.pdf>
2. http://library.wub.edu.bd/assets/images/repository/Managerial_Economics.pdf
3. <https://www.amazon.in/Managerial-Economics-Yogesh-Maheshwari-ebook/dp/B00K7BMJQA>

4. <http://www.studynama.com/community/threads/485-Managerial-economics-ebook-lecture-notes-pdf-download-for-MBA-students>

MATERIALS ONLINE:

1. Course template
2. Tutorial question bank
3. Tech talk and Concept Video topics
4. Open-ended experiments
5. Definitions and terminology
6. Assignments
7. Model question paper – I
8. Model question paper – II
9. Lecture notes
10. PowerPoint presentation
11. Drishya Siksha Sangrah (DSS) Videos

