

**JYOTI NIVAS COLLEGE AUTONOMOUS**

**Department of Economics**

**Open Elective**

**Syllabus (2021 Onwards)**

**BBA [ FIRST SEMESTER]**

**MANAGERIAL ECONOMICS- OPEN ELECTIVE**

**3 credits; 45 HOURS**

**LEARNING OBJECTIVES:**

- To describe the principles of Business Economics as are applicable in business
- To evaluate the utility of economics in managing a business
- To apply and understand economic principles

**LEARNING OUTCOMES/ COURSE OUTCOMES[CO]:**

**Students will be able to:**

- Describe the importance of managerial economics and its goals.
- Analyse the consumer behaviour.
- Explain demand, elasticity and understand concepts of demand forecasting.
- Apply various concepts of production and costs
- Classify different market structures and describe price determination in different market structures
- Examine the concepts of national income and business cycle.

**UNIT 1: INTRODUCTION TO MANAGERIAL ECONOMICS 16 HOURS**

**Chapter 1- Managerial Economics 4 HOURS**

Definition, Objectives, and importance of Managerial Economics (2); Goals of Business-Economic Goals, Social Goals, Strategic Goals, Business Ethics

**Chapter 2- Macroeconomic environment 3 HOURS**

National Income-meaning, concepts, GNP, GDP, NNP, PI, DPI, PCI, Business cycles- Phases of a trade cycle

**Chapter 3 -Demand and Elasticity of demand 9 HOURS**

Meaning and law of demand

Elasticity of demand- Price elasticity [degree of price elasticity], method- ratio method of measuring price elasticity , factors influencing elasticity of demand .

Income elasticity of demand, cross elasticity of demand, advertising elasticity of demand.

Demand Forecasting- Meaning, Types

**Application/ skill component:**

1. Business Ethics case studies.
2. Understanding economic indicators and trend projection of demand through social media.
3. Theory of Lemons and the market for used cars.
4. Economic recovery - study of various recovery patterns.

**UNIT 2: CONSUMPTION AND PRODUCTION ANALYSIS 14 HOURS**

**CHAPTER 4- Utility 5 HOURS**

Concept, The Indifference Curve Technique- meaning, Properties, consumers' equilibrium through indifference curves

**Chapter 5- Production Function 5 HOURS**

meaning, Isoquants and Isocost- equilibrium through Isoquants and Iso-cost curves

Supply- meaning and law of supply

**Chapter 6-Cost and Revenue concepts 4 HOURS**

Opportunity cost, Accounting and Economic Cost, Fixed and Variable Cost, total Cost, Marginal cost , U-shaped average cost curve in short run, Learning curve[concept] ; Break-Even analysis – concept

Revenue concepts- Total, Average and Marginal Revenue

**Application/ skill component:**

1. Platform economics
2. B2B business – a threat to conventional distribution channels
3. Application in breakeven analysis

**UNIT 3: MARKET STRUCTURE 15 HOURS**

**Chapter 7- Market structure - Perfect competition and Monopoly 8 HOURS**

Market structure- meaning, types; Perfect competition- meaning and features. Monopoly – features, short run and long run equilibrium. Price discrimination – meaning, types, equilibrium under price discrimination [third degree].

**Chapter 8- Monopolistic competition and Oligopoly 4 HOURS**

Monopolistic competition- features; Oligopoly –features.

**Chapter 9- Strategies 3 HOURS**

price rigidity, price leadership and collusive oligopoly(concepts). Mergers and acquisition- concept.

**Application/ skill component:**

1. IPL league and auctions
2. Pricing and advertising strategies of oligopoly markets through social media interactions.
3. E-Commerce platforms and fillip to small businesses.

**BASIC READING LIST**

1. Ahuja. H.L.(2017), 'Managerial Economics', Ninth Edition, Sultan Chand and Sons.
2. Jhingan, M.L and Stephen, J.K(2014), 'Managerial Economics', Second Edition, 2014 Vrinda Publishing (P) Ltd.
3. H. Craig Petersen, W. Chris Lewis, Sudhir K. Jain(2005), ' Managerial Economics', Fourth Edition, Pearson Education, 2005.
4. D.N. Dwivedi(2006), "Managerial Economics", Sixth Revised Edition , Vikas Publishing House Pvt. Ltd.
5. Keating, Barry and J.Holton Wilson(2003), Managerial Economics, Second Edition, Dreamtech Press.
6. Koutsoyiannis (2003), Modern Micro Economics, Second Edition, Palgrave Macmillan.
7. Salvatore, Dominick, and Rastogi, Siddhartha (2020); Managerial Economics- Principles and Worldwide Applications, 9<sup>th</sup> Edition, Oxford University Press.

**ADDITIONAL READING LIST**

1. Varshney, R.L and Maheshwari, K.L(2018), Managerial Economics, Ninth Edition, Sultan Chand and Sons.
2. Mithani, D.M.(2017), Managerial Economics- Theory and Applications, Himalaya Publishing House.
3. Jhingan, M.L (2016), Macro Economic Theory, 13<sup>th</sup> Edition, Vrinda Publications.
4. Sarangi, Sudipta (2020), Economics of Small Things, Penguin Random House India Pvt. Ltd.

