UNIVERSITY OF MADRAS

MASTER OF BUSINESS ADMINISTRATION (MBA) DEGREE PROGRAMME

SYLLABUS WITH EFFECT FROM 2023-2024

Subject Code	Subject Name	Category	L	T	P	O	Credits	Inst. Hours	Marks		
									CIA	External	Total
434C1E	**Managerial Economics**	Core	4	-	-	-	4	60	25	75	100

Course Objectives	
C1	To familiarize the students about managerial economics and to know the fundamental concepts affecting business decisions.
C2	To understand the concept of utility and demand analysis and demand forecasting
C3	To know about production function and market structure
C4	To have an idea and understanding about Macroeconomics like National Income, savings and investment, Indian economic policy and Planning.
C5	To Provide insights on Money Market, Inflation and Deflation, Monetary and Fiscal policies, FDI and cashless economy.

SYLLABUS

UNIT	Details	No. of Hours	Course Objectives
I	Introduction: Definition of Managerial Economics. Decision Making and the Fundamental Concepts Affecting Business Decisions – the Incremental Concept, Marginalism, Equi-marginal Concept, the Time Perspective, Discounting Principle, Opportunity Cost Principle- Micro and Macro Economics.	12	C1
II	Utility Analysis and the Demand Curve: Elasticity of Demand - Demand Analysis: Basic Concepts, and tools of analysis for demand forecasting. Use of Business Indicators: Demand forecasting for consumer, Consumer Durable and Capital Goods. Input-Output Analysis – Consumer Behavior-Consumer Equilibrium	12	C2
III	The Production Function: Production with One Variable Input – Law of Variable Proportions – Production with Two Variable Inputs – Production Isoquants – Isocost Lines Estimating Production Functions- Returns to Scale– Economies Vs Diseconomies of Scale – Cost Concepts – Analysis of cost – Short and long run costs. Market Structure: Perfect and Imperfect Competition – Monopoly, Duopoly, Monopolistic Competition – Pricing Methods.	12	C3

IV	Macro Economic Variables – National Income- Concepts – Gross Domestic Product, Gross National Product, Net National Product – Measurement of National Income, Savings, Investment - Business Cycles and Contracyclical Policies – Role of Economic Policy – Indian Economic Planning	12	C4
V	Commodity and Money Market: Demand and Supply of Money – Money Market Equilibrium – Monetary Policy – Inflation – Deflation – Stagflation-Role of Fiscal Policies- Indian Fiscal Policies - Government Policy towards Foreign Capital and Foreign Collaborations – Globalization and its Impact. Cashless economy and digitalized cash transfers; Economic models and its steps; FEMA-GST-Industrial Policy in India and its effects on growth.	12	C5
	Total	**60**	

Course Outcomes		
Course Outcomes	On completion of this course, students will;	**Program Outcomes**
CO1	Be able to understand the basic concepts of managerial economics that helps the firm in decision making process.	PO2, PO4
CO2	Be familiar about the Basic concepts of Demand, Supply and Equilibrium and their determinants	PO4, PO6, PO7
CO3	Have better idea and understanding about production function and market structure	PO6, PO7
CO4	Have better insights about macroeconomics concepts like National income, Savings and Investment, Indian Economic Policy and planning	PO8
CO5	Possess better knowledge about Money market, Monetary and Fiscal policy, inflation and deflation, FDI and globalization and Cashless economy and digitalized cash transfers.	PO7

Reading List	
1.	http://pearsoned.co.in/prc/book/paul-g-keat-managerial-economics-economic-tools-todays-decision-makers6e-6/9788131733530
2.	http://www.onlinevideolecture.com/mba-programs/kmpetrov/managerial economics/?courseid=4207
3.	https://www.slideshare.net/dvy92010/nature-and-scope-of-managerial-economics-76225857
4.	The Indian Economic Journal - SAGE Journals

References Books	
1.	1. Damodaran, S., Managerial Economics, 2nd Edition, Oxford University Press, 2011.
2.	Dwivedi, D.N., Managerial Economics, Vikas Publishing House, 2011.
3.	R. L. Varshney , K.L. Maheshwari., Managerial Economics, Sultan Chand & Sons, 2014.
4.	William F. Samuelson, Stephen G. Marks, Jay L., Zagorsky., Managerial Economics, Wiley Publishers, 9th Edition (2021)
5.	H. L. Ahuja., Managerial Economics., Atlantic Publishers and distributors(P) Ltd., 2017.
6.	Dominick Salvatore, Managerial Economics: Principles and worldwide applications, 9E Adaptation, Oxford university press, 9th Edition, 2020.

	PO 1	**PO 2**	**PO 3**	**PO 4**	**PO 5**	**PO 6**	**PO 7**	**PO 8**
CO 1		2		3				
CO 2				3		2	2	
CO 3						3	3	
CO 4								2
CO 5							2	

3-Strong 2-Medium 1-Low