

**Veer Narmad South Gujarat University**  
**204: Economics for Managers (Including Macro)**  
**First Year BBA (Semester-2) With Effect from AY2022-23**

<b>Course</b>	204
<b>Course Title</b>	<b><u>Economics for Managers (Including Macro)</u></b>
<b>Credit</b>	4
<b>Teaching per Week</b>	4 Hours
<b>Review / Revision</b>	June, 2022
<b>Minimum weeks / Semester</b>	15 (Lectures, Practical examples from corporate & business world , Guest Lectures, Case Study, Presentations, Group Assignments)
<b>Medium of Instruction</b>	English
<b>Purpose of Course</b>	To acquaint students about complete and rigorous introduction to basic principles of managerial economics and macro economics
<b>Course Objective</b>	<ul style="list-style-type: none"> <li>To apply micro economic concepts and techniques in evaluating business decisions taken by firms.</li> </ul>
<b>Course Outcome</b>	<p>The students will be able to</p> <ul style="list-style-type: none"> <li>To demonstrate how applications of economic theory can improve decision making.</li> <li>Apply the knowledge of the mechanics of supply and demand to explain working of markets</li> <li>Describe how changes in demand and supply affect markets</li> <li>Understand the choices made by a rational consumer</li> <li>Explain relationships between production and costs</li> <li>Define key characteristics and consequences of different forms of markets</li> <li>Understand effect of Inflation in Business policy and managerial Decision</li> </ul>
<b>Course Content</b>	
<b>Unit 1: Introduction to Managerial Economics (20%)</b> <ul style="list-style-type: none"> <li>Introduction - What Managerial Economics is about?, Definitions of Managerial Economics</li> <li>Nature &amp; Scope of Managerial Economics</li> <li>Chief Characteristics of Managerial Economics</li> <li>Significance of Managerial Economics</li> <li>Fundamental concepts in Managerial Economics (Opportunity Cost, Discounting and Equi-Marginal)</li> <li>Role &amp; Responsibilities of a Managerial Economist in Business.</li> </ul>	
<b>Unit 2: Market Structure Analysis-1 (20%)</b> <ul style="list-style-type: none"> <li><b>Perfectly Competitive Market</b></li> </ul>	

<ul style="list-style-type: none"> <li>✓ Price Determination under Perfect Competition</li> <li>✓ Features of a Perfectly competitive market</li> <li>✓ Demand curve facing the Firm &amp; Industry under Perfect competition</li> <li>✓ Equilibrium of the Firm &amp; Industry under Perfect competition in Short-run &amp; Long run</li> <li>• <b>Monopoly</b> <ul style="list-style-type: none"> <li>✓ Price Determination under Monopoly</li> <li>✓ Features &amp; causes of Monopoly</li> <li>✓ Nature of Demand curve &amp; Marginal revenue curve under Monopoly</li> <li>✓ Price &amp; output under Monopoly in Short-run &amp; Long-run</li> </ul> </li> <li>• <b>Price Discrimination</b> <ul style="list-style-type: none"> <li>✓ Meaning of Price discrimination</li> <li>✓ Forms of Price discrimination</li> <li>✓ Degrees of Price discrimination</li> <li>✓ Conditions under which Price discrimination is possible &amp; profitable</li> </ul> </li> </ul>	
<b>Unit 3: Market Structure Analysis-2</b>	<b>(25%)</b>
<ul style="list-style-type: none"> <li>• <b>Price Determination under Monopolistic Competition</b> <ul style="list-style-type: none"> <li>✓ Features of Monopolistic competition</li> <li>✓ Nature of Demand curve (AR) &amp; Marginal Revenue(MR)curves</li> <li>✓ Concept of Group Equilibrium</li> <li>✓ Price &amp; Output determination in short-run &amp; Long Run under Monopolistic Competition</li> </ul> </li> <li>• <b>Oligopoly</b> :Features, Kinked Demand Curve, Price Leadership (Types, Characteristics, Advantages)</li> </ul>	
<b>Unit 4: Production Analysis</b>	<b>(25%)</b>
<ul style="list-style-type: none"> <li>• <b>Production Function</b> <ul style="list-style-type: none"> <li>✓ Meaning &amp; classification of Factors of Production</li> <li>✓ Meaning &amp; significance of Production Function in Business</li> <li>✓ Cobb-Douglas Production function</li> </ul> </li> <li>• <b>Theory of Production</b> <ul style="list-style-type: none"> <li>✓ Concept of Total Product, Average Product and Marginal Product</li> <li>✓ Law of Variable Proportions</li> <li>✓ Returns to Scale</li> </ul> </li> <li>• <b>Production Function with Two Variable Inputs</b> <ul style="list-style-type: none"> <li>✓ Meaning &amp; General Properties of Iso-Quants</li> <li>✓ Marginal Rate of Technical Substitution(MRTS)</li> </ul> </li> <li>• <b>Optimum Factor Combination</b> <ul style="list-style-type: none"> <li>✓ Concept of Iso-Cost Lines</li> <li>✓ Least Cost Combination of Factors (Choice of Inputs)</li> <li>✓ The Economic Region of Production (Ridge Lines)</li> <li>✓ Expansion Path</li> </ul> </li> </ul>	
<b>Unit 5: Inflation</b>	<b>(10%)</b>
Meaning of Inflation, Causes of Inflation, Types of Inflation (Demand pull and Cost push inflation), Effects of Inflation, Anti Inflationary Measures.	

**Suggested Readings:**

1. Managerial Economics - Analysis, Problems and Cases - P. L. Mehta, Sultan Chand

2. Managerial Economics in a Global Economy - Dominick Salvatore, Thomson South Western
3. Managerial Economics: Application, Strategy & Tactics - Moyers, Harris
4. Managerial Economics - D M Mithani, Himalaya Publishing House
5. Essentials of Managerial Economics - P. N. Reddy, Himalaya Publishing House
6. Managerial Economics - G S Gupta, TataMc Graw-Hill
7. Modern Microeconomics: Theory & Application - H L Ahuja, Sultan Chand
8. Advanced Economic Theory: Microeconomic Analysis - H L Ahuja, Sultan Chand
9. Principles of Microeconomics-H L Ahuja, Sultan Chand
10. Business Economics - H. L. Ahuja, Sultan Chand
11. Advanced Microeconomic Theory - M J Kennedy, Himalaya Publishing House
12. Economics - Paul Samuelson, William Nordhaus, TataMcGraw-Hill