### Veer Narmad South Gujarat University

**204 – Economics for Managers (Including Macro)** **First Year BBA (Semester 2) With Effect from AY2019-20 Objective of the course:**

* + - To give a complete and rigorous introduction to basic principles of managerial economics and macro economics
		- To demonstrate how applications of economic theory can improve decision making.

Teaching Pedagogy

Lectures, Practical examples from corporate & business world, Assignments & Presentations Course Content:

**Unit 1 Introduction to Managerial Economics (20%)**

* + - * Introduction – What Managerial Economics is about
			* Definitions of Managerial Economics
			* Nature & Scope of Managerial Economics
			* Chief Characteristics of Managerial Economics
			* Significance of Managerial Economics
			* Fundamental concepts in Managerial Economics (Opportunity Cost, Discounting and Equi-Marginal)
			* Role & Responsibilities of a Managerial Economist in Business

###### Unit 2: Market Structure Analysis–1 (20%)

* Perfectly Competitive Market
	+ Price Determination under Perfect Competition
	+ Features of a Perfectly competitive market
	+ Demand curve facing the Firm & Industry under Perfect competition
	+ Equilibrium of the Firm & Industry under Perfect competition in Short-run &Long run
* Monopoly
	+ Price Determination under Monopoly
	+ Features & causes of Monopoly
	+ Nature of Demand curve & Marginal revenue curve under Monopoly
	+ Price & output under Monopoly in Short-run &Long-run
* Price Discrimination
	+ Meaning of Price discrimination
	+ Forms of Price discrimination
	+ Degrees of Price discrimination
	+ Conditions under which Price discrimination is possible & profitable

###### Unit 3: Market Structure Analysis–2 (25%)

* Price Determination under Monopolistic Competition
	+ Features of Monopolistic competition
	+ Nature of Demand curve (AR) & Marginal Revenue(MR) curves
	+ Concept of Group Equilibrium
	+ Price & Output determination in short-run & Long Run under Monopolistic Competition
* Selling cost
	+ Meaning, Difference between Selling Costs & Production Costs, Effects of Selling Costs on Demand Curve
* Oligopoly
	+ Features, Kinked Demand Curve, Price Leadership (Types, Characteristics, Advantages)

###### Unit 4: Production Analysis (15%)

* Production Function
	+ Meaning & classification of Factors of Production
	+ Meaning &significance of Production Function in Business
	+ Linear Homogeneous Production function
	+ Short-run & Long-run Production function
	+ Cobb-Douglas Production function
* Theory ofProduction
	+ Concept of Total Product, Average Product and MarginalProduct
	+ Law of VariableProportions
	+ Economies & Diseconomies ofscale
	+ Returns to Scale
* Production Function with Two Variable Inputs
	+ Meaning &General Properties of Iso-Quants
* Marginal Rate of Technical Substitution(MRTS)
* Optimum Factor Combination
	+ Concept of Iso-Cost Lines
	+ Least Cost Combination of Factors (Choice of Inputs)
	+ The Economic Region of Production (Ridge Lines)
	+ Expansion Path

###### Unit 5: Inflation (20%)

* Meaning of inflation
* Causes of inflation
* Types of inflation (Demand pull and Cost push inflation)
* Stagflation – concept of inflationary gap by Keynes - effects of inflation
* Anti-Inflationary Measures
* Philips curve Analysis and concept of Natural rate of unemployment
* Deflation: Causes, Remedies and Solution

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, Tata McGraw-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, Tata McGraw-Hill*