

BBA I Year	BBA-C202		Semester-II		
	Managerial Economics				
Time Allotted for End Semester Examination	Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks (MM)	Total Credits	Maximum Hours
3 Hrs.	30 (20+10)	70	100	06	60

OBJECTIVE: The purpose of this course is to apply micro economic concepts and techniques in evaluating business decisions taken by firms. The emphasis is on explaining how tools of standard price theory can be employed to formulate a decision problem, evaluate alternative courses of action and finally choose among alternatives. Simple geometry and basic concepts of mathematics will be used in the course of teaching.

- Demand, Supply and Market equilibrium: individual demand, market demand, individual supply, market supply, market equilibrium; Elasticities of demand and supply: Price elasticity of demand, income elasticity of demand, cross price elasticity of demand, elasticity of supply; Theory of consumer behaviour : cardinal utility theory, ordinal utility theory(indifference curves, budget line, consumer choice, price effect, substitution effect, income effect for normal, inferior and Giffen goods), revealed preference theory. **(15 Hours)**
- Producer and optimal production choice: optimizing behaviour in short run (geometry of product curves, law of diminishing margin productivity, three stages of production), optimizing behaviour in long run (isoquants, ISO cost line, optimal combination of resources).Costs and scale: traditional theory of cost (short run and long run, geometry of cost curves, envelope curves), modern theory of cost (short run and long run), economies of scale, economies of scope. **(15 Hours)**
- Theory of firm and market organization : perfect competition (basic features, short run equilibrium of firm/industry, long run equilibrium of firm/industry, effect of changes in demand, cost and imposition of taxes) ; monopoly (basic features, short run equilibrium, long run equilibrium, comparison with perfect competition, price discrimination; monopolistic competition (basic features, demand and cost, short run equilibrium, long run equilibrium) ; oligopoly **(15 Hours)**
- Factor market: demand for a factor by a firm under marginal productivity theory (perfect competition in the product market, monopoly in the product market), market demand for a factor, supply of labour, market supply of labour, factor market equilibrium. **(15 Hours)**

SUGGESTED READINGS:

1. Gupta, G.S.(2001). *Managerial Economics*. New Delhi: Tata McGraw Hill Education
2. Keat, P., & Young, P.K.(2008). *Managerial Economics*. New Delhi: Prentice Hall.
3. Koutosyannis (1979). *Modern Micro Economics*. Chennai:Palgrave Macmillan.
4. Lipsey and Chrystal (2008). *Economics. (11th ed.)* .). UK: Oxford University Press.
5. McGuigan, J.R., & Moyer, R.C. (2007). *Managerial Economics;Application, Strategies, and Tactics*.USA : South.Western College Publication.USA
6. Pindyck, Rubinfeld & Mehta. (2009). *Micro Economics. (7th ed.)* .). New Delhi: Pearson education.
7. Salvatore, D.(2009). *Principles of Microeconomics (5th ed.)*. UK: Oxford University Press.
8. Singh, S.P. (2004).*Managerial Economics*. New Delhi: AITBS..
9. Webster, T.J. (2003). *Managerial Economics: Theory & Practice*. London: Academic Press.

NOTE: The list of cases, specific references and books including recent articles will be announced in the class by concerned teachers from time to time.