

MBG5102 ECONOMIC ANALYSIS AND DECISION MAKING

Course Code	<i>MBG5102</i>	Semester	I
Course Title	<i>ECONOMIC ANALYSIS AND DECISION MAKING</i>		
Credits	3	Type	Core

After completing this course the student will acquire economic decision making skills

Course Description

The objective of this course is to develop an understanding of the basic concepts, tools and techniques of economics and their application to various areas of corporate decision making. This course also helps the students to appraise business around him and to develop skills relate to corporate decision on the future prospects of business.

Course Outcome

1. Knowledge gained

- How market forces like demand and supply functions
- Use the tools of economic theory to explain optimal production and pricing decisions by the firm in each market structure.

2. Skill gained

- Make optimal business decisions by integrating the concepts of economics and management
- Summarize business and government related economics terms for enabling organizational coherence

3 competency gained

- an ability to understand and use various macroeconomic tools for analysis

Course Structure

The following is a detailed syllabus

Module I: Economics & Business Decisions

Economics & Business Decisions: Meaning, nature and scope of Managerial Economics– Relationship between Economic theory and Managerial Economics –Role of Managerial Economics in Business Decisions- Concepts of Opportunity cost, Time Value of Money – (Relevant One or Two Case Studies).

Module II : Demand and Supply Analysis

Demand and Supply Analysis: Meaning, types and determinants of demand Law of Demand – Giffen Paradox – Elasticity of Demand: Types, Measures and Role in Business Decisions- Determinants of supply- Elasticity of Supply- Measures and Significance – (Relevant One or Two Case Studies).

Programme: MBA -

Module III : Cost, Return and Production Function

Cost, Return and Production Function: Cost function and cost-output relationship – Economics and Diseconomies of scale – Cost control and Cost reduction- Cost Behaviour and Business Decision- Relevant costs for decision making- (Relevant One or Two Case Studies).

Module IV : Price and Profit Function

Price and Profit Function: - Pricing and output decisions under Monopoly, Duopoly, Monopolistic Competition and Perfect Competition – Penetrative and Skimming Pricing- Government control over and decontrol of pricing –Price discrimination – Concept of Profit- Types and Theories of Profit by Knight (Uncertainty), Schumpeter (Innovation), Clark (Dynamic) and Hawley (Risk)- Profit maximization – Cost volume profit analysis Risk and Return Relationship – (Relevant One or Two Case Studies).

Module V : Macro-economic Factors and Managerial Decisions

Macro-economic Factors and Managerial Decision: Business cycle – Phases and Business Decision- Factors causing Inflation and Deflation- Control measures – Balance of payment Trend and its implications in managerial decision. National Income: Methods of Estimation – Difficulties in the estimation – Uses of National Income – Monetary Policy- Fiscal Policy-(Relevant One or Two Case Studies).

Testing & Evaluation (if any)

- Assignments
- Case analysis/ Problems
- Seminar/Project
- Discussions/ Group activity
- Internal Tests

References

- Dominick Salvatore, Managerial Economics in a Global Economy, Oxford Univ Press, 2016, 8th Edition.
- Ivan Png and Dale Lehman, Managerial Economics, Wiley-Blackwell, 2007, 3rd Edition.
- Rangarajan C, Principles of Macro Economics, Tata McGraw-Hill, 2014.12
- Bradley Schiller, Essentials of Economics, McGraw-Hill/Irwin, 2016

<https://nptel.ac.in/courses/110/101/110101005/>

<https://www.slideshare.net/123ps/managerial-economics-ppt>

<https://www.slideserve.com/opa/managerial-economics>

<http://sucommerce.org/download/sem1/Managerial%20Economics%20.pdf>

https://www.tutorialspoint.com/managerial_economics/managerial_economics_tutorial.pdf

<http://www.ddegjust.ac.in/studymaterial/bba/bba-103.pdf>

<https://cablogindia.com/business-economics-notes-for-ca-foundation>