

MANAGERIAL ECONOMICS

Program : BBALLB	Semester : 3
Class of : 2020	Classes : 50
MANOJ MISHRA	

Objective: The course aims at providing basic theories and tools of analysis and develops an understanding of the behavior of various economic agents (individuals and firms). The course also provides an appreciation and application of various microeconomic theories, in different managerial situations.

Text Book	Author/Publication
Managerial Economics 2e	Suma Damodaran / Oxford
Reference Books	Author/Publication
Managerial Economics	Mark Hirschey, 10e/ Thomson
Managerial Economics	William F.Samuelson, Stephen G. Mark, 5e/ John Wiley & Sons.
Managerial Economics	Truett + Truett, 8e/ Wiley
Managerial Economics	Domnick Salvatore, 4e / Thomson
Managerial Economics	Dr V Panduranga Rao / IBS publication
Economics, 17 e	Paul A Samuelson & William D Nordhaus / McGraw – Hill, 2001

Detailed Curriculum

Introduction to Economics: Demand and Supply, Elasticity, Minimum Wage, Taxation.

Demand Estimation and Forecasting: Demand estimation using qualitative research technique. Statistical estimation of demand functions. Forecasting. Forecasting Techniques.

Firm as a Producer. Analysis of Production:

Production Analysis Theory and Estimation: Introduction, The Production Function, Law of Diminishing Returns or The Law of Variable Proportions, Relation between Total Product, Average Product and Marginal Product, The Three Stages of Production, Short-run and the Long-run. Returns to Scale, Technological Change, Isoquant, The Law of Diminishing Marginal Product, The Economic Region of Production, Equal Cost Lines, Choices of

Input Combinations- Maximization of Output subject to the Cost Constraint, Minimization of Cost for a Given Level of Output: Least Cost Conditions, The Expansion Path.

Competitive and Monopoly Model

Market Structure Analysis and Estimation: Perfect Competition:

Introduction, Assumptions, Short-run and Long-run Equilibrium of the Competitive firm, Supply Behavior of a Competitive Firm, Long-run Supply Curve, Efficiency of Competitive Markets, Evaluating the Market Mechanism, Efficiency of Competitive Markets, Effects of Taxation under Perfect Competition.

Monopoly:

Imperfect Competition, The Herfindahl's Index, Concentration Ratio, Source of Market Imperfections-Costs and Market Imperfections, Monopoly-Basic Concepts, A few Properties of Equilibrium under

Monopoly, Absence of Supply Curve under Monopoly, Effect of a shift in the Demand on Monopoly, Effect of shift in Cost, Imposition of Tax under Monopoly, Measures of Monopoly Power, Comparison between Monopoly and Perfect Competition, Price Discrimination, Equilibrium of a Discriminating Monopolist. Types of Price Discrimination, Price Discrimination and the Existence of the Industry, Monoposony, Bilateral Monopoly.

Imperfect Competition:

Monopolistic Competition: Product Differentiation, Equilibrium, Advertising and Product Development in Monopolistically Competitive Markets.

Oligopoly: Introduction, Indeterminateness of Equilibrium Price and Output under Oligopoly, Non-collusive Oligopoly, Cournot's Model of Duopoly. Other Oligopoly Models, The Kinked Demand Curve, Collusive Oligopoly, Cartels, Cartels aiming at Joint Profit Maximization, Market Sharing Cartels, Price Leadership. The Theory of Games, The Pay-off Matrix, Dominant Strategies and Nash Equilibrium, Dominated Strategies, Maximin and Minimax Strategies, Maximin -Minimax Combination and the equilibrium.

Fiscal and Monetary Exchange Rate Policies:

Business cycle. Fiscal Policy. Monetary Policy. Exchange Rate Policy.

Schedule of Sessions

Topics	Sessions
Surprise	
Introduction to Economics	5
Demand Estimation and Forecasting	5
Firm as a Producer	7
Pre-Mid Sem	
Production Analysis	5
The relation between Production and Cost	5
Perfect Competition	4
Post-Mid Sem	
Monopoly	5
Monopolistic Competition	5
Oligopoly	4
Fiscal and Monetary Exchange Rate Policies:	5
Total	50