

Chanakya National Law University, Patna
B.B.A., LL.B. (H) 2022-23; SEMESTER- III

Course Title: MANAGERIAL ECONOMICS

Course Overview

The curriculum is designed to focus on the concepts of economics as applicable in managerial situations. It also includes the national economic policy used by administrators for the welfare of the nation state. The focus is both on economist as a policy advisor and as a social scientist.

Module one deals with **Introduction to Economics.**

Module two focuses on **Demand Estimation and Forecasting**

Module three deals with **Firm as a Producer. Analysis of Production**

Module four covers **Market Structure Analysis and Estimation: Perfect Competition**

Module five **Competitive and Monopoly Model**

Module six deals with **Imperfect Competition: Monopolistic Competition: Oligopoly**

Module seven covers **Fiscal and Monetary Exchange Rate Policies**

Module Eight focuses on **New Economic Policies, Current Trends**

A nation is not made wealthy by the childish accumulation of shiny metals, but it is enriched by the economic prosperity of its people.

-Adam Smith

Learning Outcomes

The course aims to 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.

On completion of the course, students will be able to:

1. Understand concepts of economics, principles, laws and theories.
2. Analyse both equilibrium and optimization.
3. Critically analyse the economic policies practiced by government and corporates.
4. Conceive the basic tenets of law and how they are born out of economic theories.
5. Apply the theories in practice for welfare, eradicating the poor, educating the masses and creating awareness.

List of Topics/ Modules

Topic/ Module	Contents/ Concepts	Sessions / Lectures
Module I: Introduction to Economics	<ul style="list-style-type: none"> • Demand and Supply, • Elasticity, • Minimum Wage, • Taxation. 	1-5
Module II: Demand Estimation and Forecasting	<ul style="list-style-type: none"> • Demand estimation using qualitative research technique. • Statistical estimation of demand functions. • Forecasting. • Forecasting Techniques. 	6-11
Module III: Firm as a Producer. Analysis of Production	<ul style="list-style-type: none"> • 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, 	12-19

Module IV: Market Structure Analysis and Estimation: Perfect Competition	<ul style="list-style-type: none"> • Introduction, • Assumptions • Short-run and Long-run Equilibrium of the Competitive firm • Supply Behavior of a Competitive Firm • Effects of Taxation under Perfect Competition 	<p style="text-align: center;">20-25</p>
Module V: Competitive and Monopoly Model	<ul style="list-style-type: none"> • Long-run Supply Curve • Efficiency of Competitive Markets • Evaluating the Market Mechanism • Efficiency of Competitive Markets • 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, • Monopsony 	<p style="text-align: center;">26-36</p>
Module VI: Imperfect Competition: Monopolistic Competition: Oligopoly	<ul style="list-style-type: none"> • Product Differentiation • Equilibrium 	<p style="text-align: center;">37-49</p>

	<ul style="list-style-type: none"> • 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. 	
Module VII: Fiscal and Monetary Exchange Rate Policies	<ul style="list-style-type: none"> • Business cycle. • Fiscal Policy. • Monetary Policy. • Exchange Rate Policy. • Externalities and Public goods 	50-55
Module VIII: New Economic Policies, Current Trends	<ul style="list-style-type: none"> • Outcome of the Information Revolution • Information Goods • Network and Network Industries • Old Economy Industries (OEI) Vs Network Industries • Fundamental Laws and Concepts of Old Economy 	56-60

	<ul style="list-style-type: none"> • Role of Government • Nobel prize winners and their work 	
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Recommended/Reference Text Books and Resources:

Text Books

1. Managerial Economics Suma Damodaran / Oxford

References

- Economics Gregory N Mankiw /Cenage.
- A Text Book of Economics Stonier and Hague
- Managerial Economics D.N.Dwivedi
- 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 Truett + Truett, 8e/ Wiley
- Managerial Economics Dr V Panduranga Rao / IBS publication
- Economics Paul A Samuelson & William D Nordhaus / McGraw – Hill

Web Resources

Economic Survey 2022. (2022, 7 28). Retrieved from India Budget: <https://www.indiabudget.gov.in/>

INDIA ECONOMIC SNAP SHOT. (2022, 7 28). Retrieved from OECD:

<https://www.oecd.org/economy/india-economic-snapshot/>

International Monetary Fund. (2022, 7 28). Retrieved from India:

<https://www.imf.org/en/Countries/IND>

Ministry of Corporate Affairs. (2022, 7 28). Retrieved from MCA: <https://www.mca.gov.in/>

rbi.org.in. (2022, 7 28). Retrieved from Reserve bank of India: <https://www.rbi.org.in>

Instructor Details

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