

Department	Economics	Class	II – M.A		Semester	III
Course Title	Managerial Economics	Hours	Credit	CIA	External	Total
Course Code	18P3VMC14	75	4	25	75	100

Objectives

1. To introduce managerial economics and its applications in business practices.
2. To study pricing policies and strategies.

Learning Outcome

Managerial Economics helped the students to enrich their knowledge in the field of forward planning and decision making.

Unit I Nature Scope and Methods of Managerial Economics (15 Hours)

Meaning – Economic theory and Managerial theory – Nature of managerial economics – Scope of managerial economics – Methods of managerial economics – Decision types – Logical decision framework – Choice of decision criteria.

Unit II Demand Forecasting (15 Hours)

Meaning – Procedure to prepare sales forecast – Types of forecasting – Durable and Non-Durable consumer goods – Forecasting demand for capital goods – Forecasting demand for new products – Forecasting techniques: Opinion polling method and Statistical method - Criteria of good forecasting method.

Unit III Pricing Policies and Strategies (15 Hours)

Pricing policy – Formulation of pricing policy – Objectives of pricing policy – Factors involved pricing policy – Pricing strategies - Pricing New Product: Skimming pricing and Penetration pricing – Multiple Products – Marginal technique for pricing multi-products – Pricing of multiple products – Product-Line pricing – Pricing over the life cycle of a product – Cyclical pricing – Transfer pricing – Differential pricing – Full cost pricing.

Unit IV Profit and Break-Even Analysis (15 Hours)

Concept of profit – Profit policies – Measurement of profit – Break-even point – Determination of break-even point – Managerial uses of Break-even analysis.

Unit V Capital Budgeting & Inventory Control Management (15 Hours)

Benefit-cost Ratio method – Investment decision under risk – Managerial techniques for investment decision-making – Inventory Control Management – Meaning – Classification – Objectives – Methods.

Text Books

1. M.L.Jhingan and J.K.Stephen (2012), “Managerial Economics”, Vrinda Publications (P) Ltd., Delhi.
2. Varshney and Maheswary (2004), “Managerial Economics”, Sultan Chand & Co., Delhi.

References

1. D.M.Mithani (2006), “Managerial Economics”, Himalaya Publishing House, Delhi.

2. R.Cauvery, U.K.Sudha Nayak, M.Girija and R.Meenakshi (2002), “Managerial Economics”, S.Chand & Co., New Delhi.
3. Branton, Noel and James M.Livingstone (2001), “Managerial Economics in Practice”, Oxford University Press, Delhi.

Websites / e-books

1. Srinivas R.Rao, “Managerial Economics”, <https://www.free-ebooks.net/ebook/Managerial-Economics>
2. M.L.Jhingan and J.K.Stephen, “Managerial Economics”, <https://www.amazon.in/Managerial-Economics-M-L-Jhingan-ebook/dp/B00JS6GH4A>