

<b>Proposal for New Course</b>		
<b>Course Number</b>	:	MB516
<b>Course Name</b>	:	Managerial Economics
<b>Credits</b>	:	2-0-0-2 (L-T-P-C) <sup>1</sup>
<b>Prerequisites</b>	:	None
<b>Intended for</b>	:	MBA
<b>Distribution</b>	:	Compulsory
<b>Semester</b>	:	Even

### **Preamble**

The primary objective of the course is to make students understand the economic way of thinking about business decisions. It would enable them to develop critical thinking skills and logical way of analyzing business decisions.

### **Objective**

To demonstrate the link between the economic concepts & principles and effective decision making in business and management  
To apply economic tools in business environment for arriving at suitable firm level decisions for desired business outcomes  
To apply statistical tools to make evidence-based decisions  
On completion of this course, the student should be able to:

- Understand the role of economic theory in managerial decision making
- demonstrate familiarity with various data sources
- Apply economic concepts and principles in the real world while taking managerial decisions
- Make Efficient firm level business strategies
- Analyze data to arrive at business decisions

<sup>1</sup> L= Lectures per week, T=Tutorials per week – P = Practical/Lab session per week – C = Credits for course

<b>Course Modules with Quantitative lecture hours</b>		
<b>Module 1</b>	<b>Demand and Supply</b>	<b>(8 hours)</b>
This module introduces Managerial Economics and the problem of scarcity. Thereafter the module discusses the demand and supply side, elasticity, consumer behaviour, marginal analysis.		
<b>Module 2</b>	<b>Demand Estimation and Forecasting</b>	<b>(4 hours)</b>
The module discusses Basic Estimation Techniques, Estimating Demand Curve, Econometric Models, Forecasting Demand and Interpretation.		
<b>Module 3</b>	<b>Production and Cost</b>	<b>(3 hours)</b>
Production and Cost in Short and Long Run		
<b>Module 4</b>	<b>Application of Production and Cost</b>	<b>(3 hours)</b>
Break even Analysis, Production Function and Cost Estimation		
<b>Module 5</b>	<b>Markets</b>	<b>(6 hours)</b>
<b>Decision Making under Competitive Market, Market Analysis with Market Power</b>		
Perfect Competition, Monopoly and Monopolistic Competitive Market: Market Structure, Profit Maximization, Output and Pricing Decisions		
<b>Module 6</b>	<b>Strategic Decision Making In Oligopoly Market</b>	<b>(4 hours)</b>
Oligopoly Market Using Game Theory: Simultaneous Decisions, Prisoners' Dilemma, Sequential Games, First Mover and Second Mover Advantage		

**Lab Exercises** (If applicable):

Application Modules 2, 4 and 6 can be conducted as lab session of 2 hrs each.

<b>Textbooks:</b>	
1.	Dominick Salvatore and Siddhartha K. Rastogi, <i>Managerial Economics, Principles &amp; Worldwide Applications</i> , 9th edition, Oxford University Press 2020
2.	Thomas and Maurice, 2010, <i>Managerial Economics</i> , McGraw Hill
<b>Reference Book:</b>	
1.	Robert S Pindyck, Daniel L Rubinfeld and Prem L Mehta, <i>Microeconomics 7th Edition</i> , Pearson 2009.
2.	Paul G. Keat, Philip K Y Young, Stephen E Erfle and Sreejata Banarjee, <i>Managerial Economics: Economic Tools for Today's Decision Makers</i> , 7th Edition, Pearson, 2018