

GUJARAT TECHNOLOGICAL UNIVERSITY

MAM (MASTERS IN APPLIED MANAGEMENT) DUAL DEGREE PROGRAMME

Year – II (Semester – III) (W.E.F. JULY 2013)

Subject Code: 4130501

Subject Name: MANAGERIAL ECONOMICS

1. Course Objectives:

1. Help students to understand the concept, goal, scope, and fundamentals of managerial economics.
2. To understand the extent of managerial economics in the global economy environment.
3. To understand the application of managerial economics in real business environment.
4. To understand the advanced approaches and the trends in microeconomic analysis for decision making.
5. To understand the specifics of global environment and its impact on management.

2. Course Duration: The course duration is of 50 sessions of 60 minutes each, i.e. 50 hours.

3. Course Contents:

MODULE NO.	MODULE CONTENT	NO. OF SESSIONS	MARKS (70 EXTERNAL EXAM)
I	Nature and scope of Economics Economics: Definition, Nature and Scope; Micro and Macro economics; Positive and Normative economics; central problems of an economy; Production possibility curve and opportunity cost; working of economic systems (capitalistic economy, socialistic economy, mixed economy); economic cycles; inflation and recession	10	14
II	Theory of Demand and Supply Utility analysis – total utility and marginal utility; law of diminishing marginal utility; law of equi-marginal utility; consumer's equilibrium; law of demand and elasticity of demand; law of supply and elasticity of supply; Demand and Supply equilibrium; theory of consumer's behaviour – Marshallian approach and Indifference curve approach	10	14
III	Theory of Production, Costs and Revenue Meaning of factors of production; Returns to factor and returns to scale; cost concepts and cost curves; Revenue concepts and revenue curves; producer's equilibrium	10	14

IV	Forms of Markets and its Equilibrium Forms of markets – meaning and characteristics; price and output determination – equilibrium for firm and industry under perfect competition, monopoly and monopolistic competition; Concept of Money – its functions; quantity theory of money; credit creation	10	14
V	Basic characteristics and selected areas of Indian Economy Development initiatives through five year plans; Agriculture – causes of low productivity, Globalization and Indian agriculture industry, new industrial policy 1991; Population – its size, rate of growth and its implication for growth; Poverty – absolute and relative poverty and main programs for poverty alleviation; unemployment – types, causes and incidence of unemployment; Infrastructure – energy, transportation, communication, health and education	10	14

4. Teaching Methods:

The course will use the following pedagogical tools:

- Lectures
- Role plays
- Case discussion.
- Projects/ Assignments/ Quizzes/ Class participation etc

5. Evaluation:

The evaluation of participants will be on continuous basis comprising of the following Elements:

A	Projects/ Assignments/ Quizzes/ Class participation etc.	Weightage 20% (Internal Assessment- 20 Marks)
B	Two Internal Examinations	Weightage 10 % (Internal Assessment-10 Marks)
C	End –Semester Examination	Weightage 70% (External Assessment-70 Marks)

6. Reference Books:

Essential Reading

- Vikas Publishing House Pvt.Ltd**, Principles of Economics, D N Dwivedi
- Modern publisher**, Micro Economic theory, H L Bhatia
- Konark publishers Pvt.Ltd**, Micro Economic theory, M L Jhingam
- Galagotia publishing company**, Economic system and micro Economic theory, S K Agarwalas
- Macro economic - Analysis and policy, D D Chaturvedi.
- Himalaya publishing House, Delhi**, Modern macro economic theory., Misra & Puri
- Macro Economics., D M Mithani

- **Himalaya publishing House, Bombay**, Money banking, international Trade & public Finance., S K Agarwala
- **Macro economic - Analysis and policy**, D M Mithani
- **Excel Books**, Business Environment, Raj Agarwal & parag Diwan
- **S Chand & Company Ltd;**, Business Policy and Government, V P Michael
- **Indian Economy**, Ruddar Datt & K P M Sundaran
- **Tata Mc Graw Hill**, Macro Economics & Theory and policy., D N Divivedi.

References:

- **Mc Graw Hills**, Economics, Samuelson & Willian D Nordhans
- **Kalyani publishers**, Advanced Economics Theory, P N Chopra
- **Mc Millan press**, Modern Micro Economics, A koutsoyiannis
- **Galgotia publishers Pvt. Ltd**, Macro Economics Analysis, Edward Shapiro
- **Vikas publishers Pvt. Ltd.**, Macro Economics, M C Vaish
- **Mac Millan publishers Ltd., London**, International Economics, B O Soderten
- **Government of India publication**, Economic Survey (Latest).
- **Economics for Managers**, ICFAI publication
- **Excel Books**, Managerial Economics, Atmanand
- **TATA Mc Graw hill**, Managerial Economics, Thomas and Maurice
- **Cengage Learning, Economics for Managers**, Hirschey

7. Session Plan:

Session Nos.	Topics to be covered
1	Economics: Definition, Nature and Scope
2	Micro and Macro economics
3	Positive and Normative economics
4	central problems of an economy
5	Production possibility curve and opportunity cost
6-8	working of economic systems (capitalistic economy, socialistic economy, mixed economy)
9-10	economic cycles; inflation and recession
11	Utility analysis – total utility and marginal utility
12	law of diminishing marginal utility
13	law of equi-marginal utility
14	consumer's equilibrium
15	law of demand and elasticity of demand
16	law of supply and elasticity of supply
17	Demand and Supply equilibrium
18-20	theory of consumer's behaviour – Marshallian approach and Indifference curve approach
21	Meaning of factors of production
22	Returns to factor and returns to scale
23-25	cost concepts and cost curves
25-27	Revenue concepts and revenue curves
28-30	producer's equilibrium
31-33	Forms of markets – meaning and characteristics
34-37	price and output determination – equilibrium for firm and industry under perfect competition, monopoly and monopolistic competition

38	Concept of Money – its functions
39	quantity theory of money
40	credit creation
41	Development initiatives through five year plans
42-43	Agriculture – causes of low productivity, Globalization and Indian agriculture industry
44	new industrial policy 1991
45	Population – its size, rate of growth and its implication for growth
46-47	Poverty – absolute and relative poverty and main programs for poverty alleviation
48	unemployment – types, causes and incidence of unemployment
49-50	Infrastructure – energy, transportation, communication, health and education