

Course Handout for 1st (1st Semester) Year M.B.A PROGRAM

Course Title	: MANAGERIAL ECONOMICS (MICRO)
Course Code	: MB 101
L-T-P-S Structure	: 4-0-0 -0
Credits	: 4
Pre-requisite	: Not Applicable
Course Coordinator	: Mr. Shomnath Dutta
Team of Instructors	: Not Applicable
Teaching Associates (For LAB only)	: Not Applicable

Course Objective:

This course will help to understand the relative importance of Managerial Economics & to know how the application of the principles of managerial economics can aid in achievement of business objectives & how to use the modern managerial decision rules and optimization techniques. After completing this course students will be equipped with the tools necessary in analysis of consumer behaviour as well as in forecasting product demand followed by basic understanding and analysis of the macro environment affecting the business decision making.

COURSE OUTCOMES (COs)

CO No	Course Outcome (CO)	Blooms Taxonomy Level (BTL)	Target %
CO1	Students will be able to remember the concepts of micro economics and also able to understand the various micro economic principles to make effective economic Decisions under conditions of risk and uncertainty. (Knowledge, Remembering)	1 & 2	60%
CO2	The students would be able to understand the law of demand & supply & their elasticities , evaluate & analyse these concepts and apply them in various changing Situations in industry. Students would be able to apply various techniques to forecast demand for better utilization of resources. (Knowledge, Applying, Evaluating)	1 & 2	60%
CO3	The students would be able to understand the production concept and how the production output changes with the change in inputs and able to analyse the effect of cost to business and their relation to analyze the volatility in the business world. (Comprehending, Applying, Analyzing, Evaluating)	1 & 2	60%
CO4	The students would be able to understand & evaluate the different market structure and their different equilibriums for industry as well as for consumers for the survival in the industry by the application of various pricing strategic (Applying, Analyzing)	2 & 3	60%
CO5	The students would be able to analyse the macroeconomic concepts & their relation to micro economic concept & how they affect the business & economy. (Knowledge, Comprehending)	3 & 4	60%

PROGRAM OUTCOMES(PO):

PO Number	Description
PO1	Apply knowledge of management theories and practices to solve business problems
PO2	Foster analytical and critical thinking abilities for data based decision making
PO3	Ability to develop value based leadership ability
PO4	Ability to understand analyse and communicate global economic , legal and ethical aspects of business
PO5	Ability to lead themselves and others in the achievement of organisational goals, contributing effectively to a team environment

PROGRAM SPECIFIC OUTCOMES (PSO):

PSO1	Identify the key issues facing a business or business sub-divisions and utilize qualitative and quantitative methods to explore and solve critical business problems
PSO2	Incorporate diversity and multi-cultural perspectives while making business decisions is an entrepreneur or intrapreneur.

Mapping of Course Outcomes and Program Outcomes

(COs)	Program Outcomes (POs)					PSOs	
	1	2	3	4	5	1	2
Course Outcomes							
CO.1	1	-	1	-	1	-	-
CO.2	1	1	-	-	-	-	-
CO.3	1	1	-	-	-	-	-
CO.4	1	2	-	1	-	-	-
CO.5	1	1	-	1	1	-	1
Avg CO of MB 101	1	1.25	1	1	1	-	1

SYLLABUS**MODULE I****1. Introduction to Managerial Economics [2L]**

- (a) Basic problems of an economic system
- (b) Goals of managerial decision making
- (c) Resource allocation using PPC

2. Demand Analysis [10 L]

- A. Demand Functions - Law of Demand, Explaining the law of demand, Violations of the Law of Demand, Shifts in Demand; Elasticity of Demand: Price Elasticity (at a point and over and interval), Factors affecting price elasticity, Price elasticity and Change in Total Revenue, AR, MR and Price elasticity, Range of Values of Price Elasticity; Income Elasticity, Inferior, Superior and Normal goods, Income Elasticity and Share in Total Expenditure; Cross-Price Elasticity, Substitutes and Complements
- B. Indifference curves, budget line and consumer equilibrium
- C. Introduction to methods of demand estimation (concepts only)

3. Production and Cost Analysis [14L]

- A. Production Function, Short Run and Long Run, Production with One Variable Input, Total Product, Average and Marginal Products, Law of Variable proportions, Relationship between TP, AP and MP.
- B. Short Run Costs of Production, Fixed and Variable Costs, Short Run Total, Average and Marginal Cost and Relationship between them, Short Run Cost Curves, Relationship between AVC, MC, AP and MP; Long run cost curves, Relationship between LAC and SAC, Economies of Scale and Scope.
- C. Production with Two Variable Inputs, Isoquant - Characteristics, Marginal Rate of Technical Substitution, Laws of Returns to Scale, Isocost Curves, * # Finding the Optimal Combination of Inputs, Production of a given output at Minimum Cost, Production of Maximum Output with a given level of Cost, Expansion Path, Finding the Long Run Cost Schedules from the Production Function,
- D. Law of supply, elasticity of supply, market equilibrium, changes in equilibrium.

MODULE II**4. Alternate Goals of Managerial Firms [2 L]**

- (A) Profit maximization
- (B) Revenue maximization
- (C) Managerial utility maximization

5. Managerial Decision Making under Alternative Market Structures [6 L]

A. Characteristics of Perfect Competition, Profit Maximization in Competitive Markets, Output Decision in the Short Run, Shut Down Point, Short Run Supply for the Firm and Industry; Output Decision in the Long Run, Break Even Point, Long Run Supply for the Perfectly Competitive Industry

B. Price and output decision under different market structure - Monopoly, Monopolistic Competition, Oligopoly - cartel, price leadership.

6. Pricing Decisions [6 L]

A. Price Discrimination under Monopoly, Transfer Pricing.

B. Market Failure

C. Game theory & Asymmetric information

TEXT BOOKS:

1. Lipsey & Chrystal - Economics - Oxford University Press
2. Peterson & Lewis - Managerial Economics - Pearson Education
3. H.L. Ahuja - Managerial Economics, S. Chand, 8th Ed
4. D. Mukherjee - Micro Economics, New Central Book Agency
5. GEETIKA, Managerial Economics, McGraw-Hill Education 2nd Ed

REFERENCE BOOKS:

1. D.N. Dwivedi - Managerial Economics, Prentice Hall.
2. Damodaran, Suma - Managerial Economics - Oxford University Press
3. D. N. Dwivedi - Managerial Economics, Vikas Publication, 7th Ed
4. Dr. D M Mithani - Managerial Economics - Theory and Applications, Himalaya Publications, 7th Ed.
5. Dr. Premvir Kapoor - Sociology & Economics for Engineers, Khanna Publishing House

COURSE DELIVERY PLAN:

Sl. No	Session No	CO (Mention Number)	Topic (s) (Details as specified in syllabus)	Book No [CH No], [Page No]	Teaching-Learning Methods	Planned Date	Execution date
1	1	1	Briefing about CO and PO and Utility of Economics in MBA	Book No 1* Part 1 [1-2], [03-40] Book No 2** [1, 2], [1-36]	T: Questioning & Discussion L: Chalk & Talk PPTs, Quiz	02.09.22 06.09.22 07.09.22	
			Introduction to Managerial Economics (a) Basic problems of an economic system				
	2		(b) Goals of managerial decision making (c) Resource allocation using PPC				
2	3	1 & 2	Demand Analysis A). Demand Functions - Law of Demand, Explaining the law of demand	Book No 1* Part 2 [05,12], [71-91, 233-269] [07, 09, 10] [130-159, 191-203, 204-214]	T: Questioning and Discussion, L: Chalk & Talk PPTs, Quiz	12.09.22 To 14.09.22 16.09.22 19.09.22 To 21.09.22 23.09.22 26.09.22 27.09.22	
	4		Violations of the Law of Demand, Shifts in Demand				
	5		Elasticity of Demand: Price Elasticity (at a point and over and interval)				
	6		Factors affecting price elasticity, Price elasticity and Change in Total Revenue,				
	7		AR, MR and Price elasticity, Range of Values of Price Elasticity;				
	8		Income Elasticity, Inferior, Superior and Normal goods,				
	9		Income Elasticity and Share in Total Expenditure; Cross-Price Elasticity				
	10		Cross-Price Elasticity Substitutes and Complement				

	11		B). Indifference Curves, Budget line and Consumer Equilibrium				
	12		C). Introduction to methods of demand estimation (concepts only)				
3	13	1, 2 & 3	Production and Cost Analysis A). Production Function, Short Run and Long Run, Production with One Variable Input,	Book No 1* Part 3 [10-20], [315-420] Book No 2* [11], [260-284]	T: Questioning and Discussion, L: Chalk & Talk PPTs, Quiz	13.10.22 14.10.22 17.10.22 To 19.10.22 21.10.22 28.10.22 29.10.22 31.10.22 To 04.11.22	
	14		Total Product, Average and Marginal Products				
	15		Law of Variable proportions, Relationship between TP, AP and MP				
	16		B). Short Run Costs of Production, Fixed and Variable Costs,				
	17		Short Run Total, Average and Marginal Cost and Relationship between them,				
	18		Short Run Cost Curves, Relationship between AVC, MC, AP and MP;				
	19		Long run cost curves, Relationship between LAC and SAC				
	20		Economies of Scale and Scope				
	21		C). Production with Two Variable Inputs, Isoquant – Characteristics,				
	22		Marginal Rate of Technical Substitution, Laws of Returns to Scale, Iso cost Curves				
	23		Finding the Optimal Combination of Inputs with Numerical				
	24		Production of a given output at Minimum Cost, Production of Maximum Output with a given level of Cost; Numerical				
	25		Expansion Path, Finding the Long Run Cost Schedules from the Production Function				
	26		D. Law of supply, elasticity of supply, market equilibrium, changes in equilibrium.				
4	27	1 & 2	Alternate Goals of Managerial Firms (A) Profit maximization (B) Revenue maximization	Book No 2* [14], [375-387]	T: Questioning and Discussion, L: Chalk & Talk PPTs, Quiz	07.11.22 08.11.22	
	28		(C) Managerial utility maximization & Numerical on Profit maximization				
5	29	1, 2 & 3	Managerial Decision Making under Alternative Market Structures A. Characteristics of Perfect Competition, Profit Maximization in Competitive Markets, Output Decision in the Short Run	Book No 1* Part 4 [24,28,30-32,36,37,39], [468-491, 530-551, 573-585, 586-609, 641-653, 653-689] Book No 2** [13] [325-369]	T: Questioning and Discussion, L: Chalk & Talk PPTs, Quiz	14.11.22 To 16.11.22 18.11.22 21.11.22 22.11.22	
	30		Short Run Supply for the Firm and Industry; Output Decision in the Long Run,				
	31		Shut Down Point, Break Even Point, Long Run Supply for the Perfectly Competitive Industry				
	32		B. Price and output decision under different market structure – Monopoly				

	33		Monopolistic Competition				
	34		Oligopoly - cartel, price leadership.				
6	35	1 & 2	Pricing Decisions A. Price Discrimination under Monopoly,	Book No 1* Part 4, 6 [29, 60], [552-572, 999-1009]	T: Questioning and Discussion, L: Chalk & Talk PPTs, Quiz	23.11.22 25.11.22 28.11.22 To 30.11.22	
	36		Transfer Pricing.				
	37		B. Market Failure - Externalities				
	38		Asymmetric information				
	39		C. Game theory Application in Economics				
40	Numerical on Game theory						

***Book No 1:** H.L. Ahuza-Advanced Economic Theory: Microeconomic Analysis, S. Chand

** **Book No 2:** D.N. Dwivedi- Managerial Economics, Vikas

NOTE: Additional Study Materials –Lecture Notes from different Indian Universities like (Calicut, VSSU, BPUT, Pondicherry, IGNOU etc)) + Good Quality Internet Resources (e-Gyankosh, ePathshala etc)

LIST OF TUTORIALS/CASE STUDY: OPTIONAL

Tutorial session no	Topics	CO-Mapping
1	Numerical on Demand Elasticity & Consumer Equilibrium	CO 2 & 3
2	Numerical on Short Run Total, Average and Marginal Cost & use in Optimization	CO 2 & 3
3	Numerical on Total Product (TP), Average Product (AP) and Marginal Products (MP)	CO 2 & 3
4	Numerical applications on MRTS (Marginal Rate of Technical Substitution), Optimal Combination of Inputs	CO 2 & 3
5	Numerical on Cobb Douglas function, MP_L , MP_K etc	CO 3 & 4
6	Numerical on Profit & Utility Maximization	CO 3 & 4
7	Numerical on Price Discrimination under Monopoly	CO 3 & 4

WEEKLY HOMEWORK ASSIGNMENTS/ PROBLEM SETS/OPEN ENDED PROBLEM-SOLVING EXERCISES etc.

Week	Assignment/Quiz	Topic	Details	CO
2	A01	Numerical on Elasticity of Demand	Numerical Assignment	CO3
4	A02	Constrained Optimization on Consumer Equilibrium	Numerical Assignment	CO3
6	A03	Isoquant & its variants; Expansion path	Numerical Assignment	CO2
9	A04	Numerical on Profit Maximization in Competitive Markets; Shut-Down Point	Numerical Assignment	CO3
12	A05	Game Theory	Numerical Assignment	CO3

COURSE TIME TABLE

Lecture			Tutorial/ Case Study	Practical
Monday	10.00 - 10.50 am		03.00 - 05.00 pm	N.A
Tuesday	10.50 - 11.40 am			N.A
Wednesday		02.10 - 03.00 pm		N.A

Thursday				N.A
Friday		02.10 - 03.00 pm		N.A

REMEDIAL CLASSES:

Supplement course handout, which may perhaps include special lectures and discussions that would be planned, and schedule notified accordingly.

DELIVERY DETAILS OF CONTENT BEYOND SYLLABUS:

Content beyond syllabus covered (if any) should be delivered to all students that would be planned, and schedule notified accordingly.

Sl. No	Advanced Topics, Additional Reading, Research papers and any	CO	POs & PSOs	ALM	References/MOOCs
1	Applications of Asymmetric Information Models	CO3	PO1 & PSO 1	Videos	YouTube
2	Economics of Social Networks	CO1&2	PO1 & PSO1	Videos	YouTube/NPTEL
3	Voting models	CO2	PO2 & PSO2	Videos	YouTube/NPTEL

EVALUATION: AS PER MAKAUT GUIDELINES

Schedule for Continuous Assessment (CA):

CA	Assessment By	Schedule
CA-I	Presentation, Quiz, Group Discussion	As per Academic Calendar
CA-II	Report writing	
CA-III	Class test in pen and paper mode to be conducted at the College Level	
CA-IV	Centralized online test to be arranged by the University	
PCA1	Rubrics based Evaluation and Viva -Voce	
PCA2	Rubrics based Evaluation and Viva -Voce	

ATTENDANCE POLICY

Every student is expected to be responsible for regularity of his/her attendance in class rooms and laboratories, to appear in scheduled tests and examinations and fulfil all other tasks assigned to him/her in every course. For Promotion, a Minimum of 50% of internal marks must be obtained. In every course, student has to maintain a minimum of 75% attendance to be eligible for appearing in Semester end examination of the course, for cases of medical issues and other unavoidable circumstances the students will be condoned if their attendance is between 60% to 75% in every course, subjected to submission of medical certificates, medical case file and other needful documental proof to the concerned departments.

DETENTION POLICY

In any course, a student has to maintain a minimum of 75% attendance and must secure a minimum of 50% marks in In-Semester Examinations to be eligible for appearing to the Semester End Examination, failing to fulfil these conditions will deem such student to have been detained in that course.

PLAGIARISM POLICY

Use of unfair means in any of the evaluation components will be dealt with strictly, and the case will be reported to the examination committee.

COURSE TEAM MEMBERS, CHAMBER CONSULTATION HOURS AND CHAMBER VENUE DETAILS:

Each instructor will specify his / her chamber consultation hours during which the student can contact him / her in his / her chamber for consultation.

S. No.	Name of Faculty	Chamber Consultation Day (s)	Chamber Consultation Timings for each day	Chamber Consultation Room No:	Signature of Course faculty
1	Mr Shomnath Dutta	Monday	04.40 pm – 05.10 pm	Faculty Room/Any Class Room available	
2	Mr Shomnath Dutta	Tuesday	01.30 pm – 02.00 pm	Faculty Room/Any Class Room available	
3	Mr Shomnath Dutta	Wednesday	01.30 pm – 02.00 pm	Faculty Room/Any Class Room available	
4	Mr Shomnath Dutta	Thursday	04.40 pm – 05.10 pm	Faculty Room/Any Class Room available	

GENERAL INSTRUCTIONS

Students should come prepared for classes and carry the text book(s) or material(s) as prescribed by the Course Faculty to the class.

NOTICES

All notices will be communicated through the institution email.

All notices concerning the course will be displayed on the respective Notice Boards.

Signature of COURSE COORDINATOR:

Shomnath Dutta

HEAD OF DEPARTMENT:

Sgula

W Law
29/8/22

Approval from: Head of the Institutions
(Sign with Office Seal)

Principal
Siliguri Institute of Technology