



GUJARAT TECHNOLOGICAL UNIVERSITY
Syllabus for Master of Business Administration (PT), 1st Semester
Subject Name: Managerial Economics
Subject Code: 5519905

**With effect
 from academic
 year 2021-22**

1. Learning Outcomes:

Learning Outcome Component Learning	Learning Outcomes – Learners will be able to
Business Environment and Domain Knowledge (BEDK)	<ul style="list-style-type: none"> • <i>Define</i> and <i>explain</i> how basic concepts of microeconomics (such as elasticity, scarcity or choice) can be used to explain the behaviour of individuals, household or firms. • <i>Interpret</i> economic policies, Union Budget and economy of India
Critical thinking, Business Analysis, Problem Solving and Innovative Solutions (CBPI)	<ul style="list-style-type: none"> • <i>Evaluate</i> the relationship between production and cost functions. • <i>Analyze</i> market operations under varying competitive conditions.
Global Exposure and Cross-Cultural Understanding (GECCU)	<ul style="list-style-type: none"> • <i>Interpret</i> the influence of global economic, political and other influences on our country's economy and market.
Social Responsiveness and Ethics (SRE)	<ul style="list-style-type: none"> • <i>Evaluate</i> the influence of economic policies on the socio-economic welfare of a country's citizens
Effective Communication (EC)	<ul style="list-style-type: none"> • <i>Evaluate</i> the different market structures and equilibrium for different industries
Leadership and Teamwork (LT)	<ul style="list-style-type: none"> • <i>Recommend</i> competitive strategies according to the nature of products, market structures and business cycles.

Correlation Levels:

1 = Slight (Low); 2 = Moderate (Medium); 3 = Substantial (High), “-“= no correlation

Sub. Code:	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
Define and explain how basic concepts of microeconomics (such as elasticity, scarcity or choice) can be used to explain the behaviour of individuals, household or firms.	3	1	1	2	-	-	1	-	1
Interpret economic policies, Union Budget and economy of India	2	-	2	2	-	-	-	-	3
Evaluate the relationship between production and cost functions	2	2	1	-	-	-	-	2	2
Analyze market operations under varying competitive conditions.	3	2	1	-	1	2	-	2	1



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Interpret the influence of global economic, political and other influences on our country's economy and market.	1	2	1	1	3	2	1	2	3
Evaluate the influence of economic policies on the socio-economic welfare of a country's citizens.	2	-	1	-	3	-	3	-	1
Evaluate the different market structures and equilibrium for different industries.	1	3	1	1	3	1	-	3	1
Recommend competitive strategies according to the nature of products, market structures and business cycles.	2	2	-	3	-	3	-	2	2

2. Course Duration: The course duration is of **40 sessions of 60 minutes** each.

3. Course Contents:

Module No.	Module Content	No. of Sessions	Marks (out of 70)
I	Introduction to Managerial Economics <ul style="list-style-type: none"> • Introduction to Economics, • Kinds of Economic Decisions, • Significance and applicability of Managerial Economics in decision making, • Role and responsibilities of Managerial Economist, • Economic principles relevant to managerial decision making, Opportunity cost, Production possibility curve, Concept of increments and Margin, Discounting principle, • Theory of firm. Micro and Macro economics. 	4	7
II	Demand Analysis And Consumer Behavior <ul style="list-style-type: none"> • Demand theory and analysis, • Elasticity of Demand and its role in Managerial decision making, • Demand forecasting, Techniques of Demand forecasting • Consumers Equilibrium, Cardinal utility approach, Indifference curve approach, • Theory of revealed preference, Consumer surplus (theoretical concepts only) Theory of Production and Analysis of Cost <ul style="list-style-type: none"> • Laws of variable proportions and Return to scale, Economies of scale, Isoquants and Isocost (theoretical 	11	18



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	concepts) <ul style="list-style-type: none"> • Cost concepts: Kind of costs, Short run and long run cost functions, Interrelationship of cost • Cost reduction and cost control 		
III	Determination of price and output <ul style="list-style-type: none"> • Concept of Market equilibrium and Revenue curves, Characteristics of different market structures, • Price determination and firms' equilibrium under perfect competition, monopolistic competition, oligopoly and monopoly, • Price discrimination, International price discrimination and dumping, Pricing methods Factor Market & Factor Pricing <ul style="list-style-type: none"> • Theories of factor pricing: wages, rent, and interest • Investment decisions (Capital Budgeting theory only), • Profit and profit functions. 	11	17
IV	Macroeconomic Analysis and Policy <ul style="list-style-type: none"> • National Income: Concept and measurement, • Circular flow of economic activities, • Keynesian analysis: Keynesian theory of employment, consumption function, investment function, multiplier, relevance of Keynesian economics in underdeveloped countries • Business cycle • Money supply and Inflation • Open Economy Macroeconomics • Role of Central Bank and Government in the economy 	14	25
V	Business Cases, Price Leadership and Market Leadership Model, Basics of Game Theory and the relevance of the same in the real world scenario, Analysis of Union Budget, Monetary policy, Economic Survey	-----	Internal evaluation (30 marks of CEC)

4. Pedagogy:

- ICT enabled Classroom teaching
- Case studies
- Practical / live assignment
- Interactive class room discussions

5. Evaluation:

Students shall be evaluated on the following components:

A	Internal Evaluation	(Internal Assessment- 50 Marks)
	<ul style="list-style-type: none"> • Continuous Evaluation Component 	30 marks
	<ul style="list-style-type: none"> • Class Presence & Participation 	10 marks
	<ul style="list-style-type: none"> • Quiz 	10 marks
B	Mid-Semester examination	(Internal Assessment-30 Marks)
C	End –Semester Examination	(External Assessment-70 Marks)



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6. Reference Books:

No.	Author	Name of the Book	Publisher	Year of Publication / Edition
1.	Dwivedi D.N	Managerial Economics	Vikas Publication	Latest
	D. Salvatore	Managerial Economics in a Global Economy	Oxford University Press	Latest
2.	Gregory Mankiw	Economics: Principles & Applications	Cengage	Latest
3.	Robert S Pindyck, Daniel L Rubinfeld, Prem L Mehta	Micro Economics	Pearson	Latest
4.	Ritika Sinha	Managerial Economics	SBPD Publishing House	Latest
5.	Damodaran Suma	Managerial Economics	Oxford University Press	Latest
6.	Petersen, Lewis & Jain	Managerial Economics	Pearson	Latest Edition
7.	Samuelson and Nordhaus	Economics	TMH	Latest
8.	Geethika, Ghosh & Choudary	Managerial Economics	TMH	Latest Edition
9.	G. S. Gupta	Managerial Economics	TMH	Latest

Note: Wherever the standard books are not available for the topic appropriate print and online resources, journals and books published by different authors may be prescribed.

7. List of Journals/Periodicals/Magazines/Newspapers/Web resources etc.

1. Harvard Business Review
2. Vikalpa – A Journal for Decision Makers
3. Management Review
4. Business Standard/Economic Times/Financial Times/ Financial Express/
5. Economic & Political Weekly
6. Asian Journal of Research in Business Economics
7. Indian Journal of Economics and Development