

BCM1C01 MANAGERIAL ECONOMICS

Module I

Managerial Economics:- – Definition and characteristics – Nature and Scope - Economics Vs Managerial Economics - Decision making and forward planning – Relationship of managerial economics with other disciplines - Basic economic tools in management economics – The role of managerial economist. (10 Hours, 10 marks)

Module II

Theory of consumer behaviour: - Cardinal analysis - Law of diminishing marginal utility – consumer surplus; Ordinal approach – indifference curve analysis – consumer equilibrium – income consumption curve and price consumption curve – Hicksian decomposition of price effect in to substitution effect and income effect – Demand curve for normal, inferior and giffen goods – concept of elasticity of demand – measurement of various elasticities – Elasticity of supply. (20 Hours, 20marks)

Module III

Market structure:-

Perfect competition: – profit maximization and equilibrium of firm and industry – short run and long term supply curves – price and output determination.

Monopoly: – Price determination under monopoly – equilibrium of firm – comparison between perfect competition and monopoly – price discrimination.

Monopolistic competition: price and output determination – product differentiation – comparison with perfect competition – excess capacity under monopolistic competition.

Oligopoly: indeterminate pricing and output – classical models of oligopoly – price leadership - collusive oligopoly – kinked demand curve.

(20 Hours, 20marks)

Module IV

An overview of Indian economy - Indian economy since 1991 - Basic characteristics of Indian economy - Factors that led to the opening up of

Indian economy - Indian economy under WTO regime - Issues in Indian economy: Problems of growth, unemployment, poverty, inequality in income distribution, inflation – The role of parallel economy – The role of Government in a market economy. (15 Hours, 15Marks)

Module V

Structure and direction of India's foreign trade and India's trade regulation and promotion - Exchange rate policy – Intellectual Property Rights - Foreign capital and MNCs in India, Trade reforms - An overview of Kerala economy - Trade and commerce in Kerala - Industrial development of the state - the role of small scale industries in Kerala economy. (15 Hours, 15 marks)