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Managerial Economics - ME 101

1. Course Overview:

Students focus on the application of economic models and rationale choice to business decision making. Topics include an overview of managerial economics; demand and supply; costs of production and the organization of the firm; market structure and pricing and output decisions; game theory and pricing strategies; and the economics of information and the role of government in the marketplace. The ability to make informed decisions is one of the key qualities that define a successful manager. This is true for managers in large multinationals, in small businesses, in non-profit organisations and in the government. But it must be noted that decision-making is not exclusive to only managers. Individuals and households also make decisions regularly.

The ability to make the right decisions comes with a clear understanding of the various factors that impact their business and affairs. As for modern societies, most of their decisions depend on markets to organise economic activity: they are market economies.

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2. Programme Outcomes (PGDM)

- PO 1: Domain Knowledge.**
(Domain specific overview and knowledge)
- PO 2: Critical Thinking and Problem Solving Skills.**
(Apply knowledge of management theories and practices to solve business problems)
- PO 3: Communication Skills.**
(Written, Verbal, Non-Verbal Communication and Presentation Skills)
- PO 4: Team Skills.**
(Leadership and Team Skills by working effectively in Teams)
- PO 5: International Perspective.**
(Issues related to global significance)
- PO 6: Sustainability Perspective.**
(Impact of Business Practices on Business Environment and Society)



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3. Course Learning Outcomes

CLO 1: (Outcome of Module I) . Develop ideas of the basic characteristics of Indian economy, its potential on natural resources.

CLO 2: (Outcome of Module II) Understand the importance, causes and impact of population growth and its distribution, translate and relate them with economic development.

CLO 3: (Outcome of Module III) Not only be aware of the economy as a whole, they would understand the basic features of Mizoram's economy, sources of revenue, how the state government finance its program and projects.

CLO 4: (Outcome of Module IV) . Identify the various types of investment function analysis and understand the elements of social cost benefit analysis.

CLO 5: (Outcome of Module V) Understand agriculture as the foundation of economic growth and development, analyse the progress and changing nature of agricultural sector and its contribution to the economy as a whole.

4. Assessment Tasks: (Common for all Subjects)

Assessment Item	Description	Weightage
Final Term Exams	Comprehensive exams covering all the material taught during the trimester. These exams test students' understanding and retention of key concepts.	40%
Group Project	Collaborative projects where students work in groups to complete an industrial project, live project, or other academic project. These projects emphasize practical application of theoretical knowledge.	10%
Individual Assignments	Subjective and practical assignments that assess students' grasp of the subject matter. These assignments can include essays, reports, practical tasks, and problem-solving exercises.	5%
Case Study	Students will apply theoretical knowledge to practical situations, providing solutions and recommendations. This develops critical thinking and decision-making skills.	10%
Quiz	Short quizzes that test students' knowledge on specific topics. These quizzes can be subjective or based on current events in the business world.	10%



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Assessment Item	Description	Weightage
Class or College Participation	Active participation in seminars, case discussions, group discussions (GDs), academic events, and non-academic events. This encourages engagement and collaborative learning.	5%
Presentations	Students prepare and deliver presentations on assigned topics. These presentations assess students' ability to communicate their ideas effectively, demonstrate their understanding of the topic, and engage with the audience. Students are evaluated on content quality, presentation skills, and their ability to answer questions.	10%
Attendance	Regular attendance in classes. This component underscores the importance of consistent participation in lectures and other academic activities. Attendance is monitored and students are expected to meet a minimum attendance requirement to ensure they are actively engaged in the learning process.	10%



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Sr. No.	Module	Topics	Detail Description
1	Introduction to Managerial Economics: Microeconomics	Nature and Scope of Managerial Economics	Overview of managerial economics, its nature, and scope (T); Analyze how Starbucks uses managerial economics in strategic decisions (P)
		Role of Managerial Economics in Decision Making	Decision-making models and frameworks (T); Simulate decision-making for a company expanding into a new market (P)
		Introduction of Microeconomic Decisions of Business Firms under Different Objectives	Theoretical models of business objectives (T); Case study of a tech startup balancing profit and market share (P)
		Marginal Analysis and Its Uses in Business Decision Making	Concepts of marginal analysis (T); Calculation of marginal cost and revenue for a retail company to optimize pricing (P)
2	Demand Analysis	Demand Theory and Analysis: Preference, Utility Function, Indifference Curve	Concepts of preferences, utility functions, and indifference curves (T); Analyze consumer data from an online retailer to understand preferences and utility (P)
		Elasticity of Demand	Theory of elasticity of demand (T); Calculate and analyze price elasticity of demand for smartphones using sales data (P)
		Demand Forecasting	Forecasting models and techniques (T); Create demand forecasts for a new product using historical sales data and forecasting tools (P)
		Managerial Applications	Application of demand theory in managerial contexts (T); Case study on how a restaurant uses demand forecasting to adjust menu prices and inventory (P)
3	Production and Cost Analysis	Production Functions	Theoretical understanding of production functions (T); Develop and analyze production functions for a manufacturing company (P)
		Returns to Scale, Profit Maximization	Concepts of returns to scale and profit maximization (T); Analyze



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			production data to determine returns to scale and optimize profit for a company (P)
		Input Demand Function	Theory of input demand functions (T); Calculate input demand functions for a farm using real data on inputs and outputs (P)
		Cost Concepts and Classifications	Overview of cost concepts and their classifications (T); Classify costs for a service-based business and analyze their impact on pricing strategies (P)
		Short-run and Long-run Cost Functions	Theory of short-run and long-run cost functions (T); Analyze cost functions for a company adjusting its production scale (P)
4	Market Structures and Pricing Strategies	Profit Maximization under Different Market Structures	Overview of market structures and profit maximization (T); Case study analysis of a company in a monopoly versus a competitive market (P)
		Perfect Competition, Monopoly, Price Discrimination, Other Pricing Strategies of Firms	Theoretical models and pricing strategies (T); Simulate pricing strategies for a company in different market structures (P)
		Monopolistic Competition, Models of Oligopoly — Bertrand Duopoly, Cournot Duopoly	Theoretical models of market structures (T); Apply Bertrand and Cournot models to analyze competitive behavior in a real-world oligopoly (P)
5	Macroeconomic Environment and Behavioral Economics	National Income Accounting	Theory and methods of national income accounting (T); Analyze India's GDP data to understand national income accounting and its implications (P)
		Measurement of GDP in India	Theoretical methods for GDP measurement (T); Use real GDP data from India to perform calculations and understand measurement processes (P)



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Sr. No.	Module	Topics	Detail Description
		Inflation and Its Measurement	Theory of inflation measurement (T); Analyze historical inflation data and its impact on the economy (P)
		Price Indices in India	Overview of price indices and their calculation (T); Calculate and interpret various price indices using real data from India (P)
		Aggregate Demand and Aggregate Supply	Theory of AD-AS model (T); Analyze shifts in aggregate demand and supply in India using real economic data (P)
		Money and Banking	Overview of monetary systems and banking (T); Examine the impact of recent monetary policies on the banking sector in India (P)
		Fiscal and Monetary Policies, Philipp's Curve and Theory of Rational Expectations	Theoretical models of policies and expectations (T); Analyze the effects of fiscal and monetary policies in India using real data (P)
		India's Macroeconomic Crisis: Causes and Dimensions	Understanding of economic crises (T); Study the causes and effects of India's recent macroeconomic crises through real-life case studies (P)
		Post-Crisis India's Economic Behavioral Economics: Historical Background and Overview	Overview of behavioral economics concepts (T); Analyze the impact of behavioral biases on economic decisions in post-crisis India (P)
		Prospect Theory	Theory of prospect theory (T); Apply prospect theory to analyze consumer behavior in real-life scenarios (P)
		Heuristics and Biases	Overview of heuristics and biases (T); Identify and analyze heuristics and biases in consumer decision-making using real data (P)
		Nudge and Policy Design	Theory of nudge and policy design (T); Design a policy intervention using nudge theory to address a specific economic issue (P)



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Reference books:

1. Managerial economics, D.N.Dwived
2. Managerial economics, Petersen,H. Craig.,LewisandJain
3. Managerial economics, William Samuelson,Stephen G. Marks, Jay L.Zagorsky
4. Managerial economics, Christopher thomas and S. Charles maurice
5. Managerial economics, James R. Mcguigan, R. Charles moyer, Frederick H. deb. Harris
6. Managerial economics, Thomas J. Webster

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