# COMC002 – Managerial Economics

**Master of Commerce**
**Semester I**
**DSC-Core Paper**
**COMC002: Managerial Economics**

| Course Type/ Course Code | Course Title | Lectures | Tutorials | Practical | Credit | Pre-requisites |
|---|---|---|---|---|---|---|
| **DSC - COMC002** | **Managerial Economics** | 3 | 1 | 0 | 4 | NIL |

**Objective:** The objective of the course is to acquaint students with the basic principles of micro and macroeconomics for developing the understanding of theory of the firm, markets and the macro environment, which would help them in managerial decision-making processes.

**Learning Outcomes:** On completion of this course, the student should be able to:

- apply the techniques of production function and cost analysis.
- comprehend market forms and apply pricing techniques to determine the price of factors of production.
- apply the knowledge of national income accounting and cost of living measurement in real world situations.
- analyze the need for monetary and fiscal policy interventions and the costs associated with them.

**Contents:**

**Unit I** **(12 hours)**
Nature and scope of managerial economics; Demand function; Cardinal and ordinal approaches to the derivation of the demand function. Revealed preference approach; Supply function; elasticity of demand and supply. Production function; Concept of productivity and technology; Cost function. Cost and output Relationship.

**Unit II** **(13 hours)**
Market forms- perfect competition, monopolistic competition, monopoly power, oligopolistic behavior; Cournot and Stackelberg models; Factor Pricing- demand and supply of factors of production.

**Unit III** **(10 hours)**
National Income Accounting; unemployment, Inflation. The product markets, financial markets and labor markets; Role of monetary and fiscal policy.

**Unit IV** **(10 hours)**
Economic fluctuations and business cycle; Open economy macroeconomics; Exchange rate, and debates in macroeconomics policy.

**Tutorial Exercise:** Students would be asked to analyze a real-world firm's pricing and output decisions under different market structures and would be allowed to participate in role play as policymakers to address inflation and unemployment using fiscal and monetary tools.

**Suggested Readings:**

- Stiglitz, J.E., and Walsh, C.E. (2006). *Economics*, W. W. Norton & Company.
- Salvatore, D., and Rastogi, S.K. (2020). *Managerial Economics: Principles and Worldwide Applications*, OUP.
- Dornbusch, R., Fischer, S., and Startz, R. (2018). *Macroeconomics*, McGraw Hill.
- Mankiw, N.G. (2021). *Macroeconomics*, Macmillan Learning.
- Koutsoyiannis, A. (1975). *Modern Microeconomics*, Palgrave Macmillan
- Branson, W. H.(1989). *Macro Economics Theory and Policy*, East – West Press.
- Blanchard, O. (2021). *Macroeconomics*, Pearson Education Ltd.
- Varian, H.R. (1992). *Micro-Economic Analysis.* W. W. Norton & Co.