COURSE MODULE: ECONOMICS FOR DECISION MAKING

Course Coordinator: **Mr. Likith N**				Academic Year: **2025-26**	
Department: **MBA**					
Course Code	Course Title	Core/Elective	Prerequisite	Contact Hours L: T: P	Total Hrs./ Sessions
MBA103	**Economics for decision making**	**Core**	**-**	**4:0:0**	**50**

Course Learning Objective:

1. To introduce the fundamentals, tools and theories of managerial economics.
2. To provide an understanding of the application of Economics in Business
3. To learn the basic Micro and Macro-economic concepts.
4. To understand Demand, Production, Cost, Profit and Market competitions with reference to firm and industry.

Teaching-Learning Process (General Instruction):

1. To bridge academic concepts with real-world practices through interactions with experts from Economics domain thereby enhancing practical understanding and industry relevance.
2. To encourage self-directed and technology-enabled learning through the use of pre-class digital content, online resources, and interactive classroom activities that promote continuous learning and application.
3. To promote teamwork, research aptitude, and communication skills through collaborative learning projects, group discussions, and presentations on contemporary Economy topics.
4. To provide experiential learning opportunities by engaging students in simulations, role plays, and activities that develop competencies in understanding real world economic situations and inculcate skill of decision making in critical situations.

Module-1

Introduction: Managerial Economics: Meaning, Nature, Scope & Significance, Uses of Managerial Economics, Role and Responsibilities of Managerial Economist. Theory of the Firm: Firm and Industry, Objectives of the firm, alternate objectives of firm. Managerial theories: Baumol's Model, Marris's model of growth maximization, Williamson's model of managerial discretion.

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk

Module-2

Demand Analysis: Law of Demand, Exceptions to the Law of Demand, Elasticity of Demand, Classification of Price, Income &Cross elasticity, Promotional elasticity of demand. Uses of elasticity of demand for Managerial decision making, Measurement of elasticity of demand. Law of supply, Elasticity of supply.

Demand forecasting: Meaning &Significance, Methods of demand forecasting. (Problems on Price elasticity of demand, and demand forecasting using Time-series method).

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk

Module-3

Cost Analysis & Production Analysis: Concepts of Production, production function with one variable input - Law of Variable Proportion, Laws of returns to scale, Indifference Curves, ISO-Quants & ISO-Cost line, Economies of scale, Diseconomies of scale. Types of cost, Cost curves, Cost – Output Relationship in the short run and in the long run, Long- Run Average Cost (LAC)curve.

Break Even Analysis–Meaning, Assumptions, Determination of BEA, Limitations, Margin of safety, Uses of BEA In Managerial decisions (Theory and simple problems).

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk

Module-4

Market structure and Pricing Practices:

Perfect Competition: Features, Determination of price under perfect competition.

Monopolistic Competition: Features, Pricing Under monopolistic competition, Product differentiation.

Oligopoly: Features, Kinked demand Curve, Cartels, Price leadership.

Monopoly: Features, Pricing under monopoly, Price Discrimination. Descriptive Pricing Approaches: Loss leader pricing, Peak Load pricing, Transfer pricing.

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk.

Module-5

Indian Business Environment: Nature, Scope, Structure of Indian Business Environment, Internal and External Environment. Political and Legal Environment, Economic Environment, Socio– Cultural Environment, Global Environment. Private Sector, Growth, Problems and Prospects, SMEs, Significance in Indian economy, challenges and prospects. Fiscal policy and Monetary Policy: Meaning of Fiscal policy, three main types of fiscal policy – neutral policy, expansionary, and contractionary. Monetary policy: Meaning, Objectives of monetary policies: Controlling inflation, managing employment levels, and maintaining long-term interest rates. (Theory only)

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk

Module-6

Indian Industrial Policy: New industrial policy 1991, Production Linked Incentive (PLI) scheme for Promoting manufacturing of Telecom & Networking Products in India, New economic initiatives proposed by Indian government for economic growth Private Sector-Growth- like Atma Nirbhar Bharath Abhiyan.

TLP: Power Point Presentation, Video demonstration or simulations, Chalk and Talk

Course outcome

At the end of the course the student will be able to:

CO1 The student will understand the application of Economic Principles in Management decision making.

CO2 The student will earn the microeconomic concepts and apply them for effective functioning of a Firm and Industry.

CO3 The Student will be able to understand, assess and forecast the demand.

CO4 The student will apply the concepts of production and cost for optimization of production.

CO5 The student will design competitive strategies like pricing, product differentiation etc. and marketing according to the market structure.

CO6 The student will be able to understand the impact of macroeconomic concepts.

Assessment Details (both CIE and SEE)

The weightage of Continuous Internal Evaluation (CIE) is 50% and for Semester End Exam (SEE) is 50%. The minimum passing marks for the CIE is 50% of the maximum marks. Minimum passing marks in SEE is 40% of the maximum marks of SEE. A student shall be deemed to have satisfied the academic requirements (passed) and earned the credits allotted to each course if the student secures not less than 50% in the sum total of the CIE (Continuous Internal Evaluation) and SEE (Semester End Examination) taken together.

Continuous Internal Evaluation:

Continuous Internal Evaluation: There shall be a maximum of 50 CIE Marks. A candidate shall obtain not less than 50% of the maximum marks prescribed for the CIE

1. Two Unit Tests each of **50 Marks (Will be reduced to 25 marks)**

2. Two assignments each of **25 Marks** or **one Skill Development Activity of 50 marks**

to attain the COs and POs

The sum of two tests, two assignments/Skill Development Activities, will be **scaled down to 50 marks**

CIE methods /question paper is designed to attain the different levels of Bloom's taxonomy as per the outcome defined for the course.

Semester End Examination:

The SEE question paper will be set for 100 marks and the marks scored will be proportionately reduced to 50.

- The question paper will have 8 full questions carrying equal marks.
- Each full question is for 20 marks with 3 sub questions.
- Each full question will have sub question covering all the topics.
- The students will have to answer five full questions; selecting four full questions from question number one to seven in the pattern of 3, 7 & 10 Marks and question number eight is compulsory.
- 40 percent theory and 60 percent problems in the SEE.

Suggested resources:

Books:

1. Managerial Economics by Dr. A.B. Kalkundrikar and Dr.Rajendra M. Inamdar, 2022
2. Managerial Economics by Geethika,Ghosh & Choudhury, McGrawHill 2/e,2011
3. Managerial Economics by Dominick Salvotore, Oxford Publishers, 2e, 2016
4. Managerial Economics by D.M Mithani, HPH publications, 2016
5. Managerial Economics by Samuelson & Marks, Wiley, 5/e,2015

Weblinks links and Video Lectures (e-Resources):

https://www.edx.org/learn/managerial-economics
https://www.indiabudget.gov.in/
https://onlinecourses.swayam2.ac.in/imb19_mg16/preview
https://www.youtube.com/watch?v=ZXDKdJO3V6Y

Mapping of COS and POs

	PO1	PO2	PO3	PO4	PO5	PSO 1	PSO 2	PSO 3	PSO 4
CO1	3		1			3			
CO2	3	2		1			3		
CO3	2				1			1	
CO4	2		3		1				1
CO5	2			1	3		3		
CO6	3			1					2