



PROGRAM	Master of Business Administration (Business Analytics)
SEMESTER	I
COURSE TITLE	Economics for Decision Making
COURSE CODE	04MB0111
COURSE CREDITS	3
COURSE DURATION	42 hours (42 Sessions of 60 minutes each)

COURSE OUTCOMES:

- ❖ Learners would be able to know the application of economic theory for decision making to understand how firms take optimal decisions when faced with several constraints.
- ❖ Students would be able to address business problems in a globalized economic environment
- ❖ Estimating the impacts of positive or negative economic shocks and analyzing the ripple effects on input-output decisions.
- ❖ Analyzing the market environment and price determination under the various market conditions.
- ❖ Integrate the knowledge of pricing strategies for economic analysis in an economy
- ❖ Examine managerial theories of firm and their pattern for business decision making

COURSE CONTENTS:

Unit No	Unit / Sub Unit	Sessions
I	Introduction to economic for decision making Simple Problems, Intermediate Problems and Complex Problems, Rational Decision Making, Demand decisions – concept of demand and types, cardinal utility, Indifference curves & revealed preference approaches, Elasticity of demand – types, measurement and empirical estimation. Demand forecasting methods.	08
II	Input Output Decisions Production function, isoquants, optimum factor combination, law of variable proportions, returns to scale, economies of scale, optimum product mix, technical progress, elasticity of factor substitution, estimation of production functions. Costs – concepts, modern theories of costs, Equilibrium of the firm - revenue curves and marginal analysis.	10
III	Price Output Decision Making Market environment, price determination under perfect competition, monopoly and discriminating monopoly, monopolistic competition, oligopoly and bilateral monopoly and its impact on market structure.	08
IV	Pricing Strategies for Economic Analysis Pricing strategies, market pricing, Price economy, Price skimming, Price penetration, Price premium, Price and cost relationship, Factor Pricing – marginal productivity theory, wages, interest and profit, Theory of profit maximization.	08
V	Managerial theories of Firm Managerial theories of firm- Baumol's Theory of Sales Revenue Maximization, Marris Growth Maximization Model; Williamson's Managerial Discretionary Theory- managerial utility function, Bain's Models for Limit-Pricing Theory of Markets; Mark – up pricing strategy.	08

EVALUATION:

The students will be evaluated on a continuous basis and broadly follow the scheme given below:

	Component	Weightage
A	Continuous Evaluation Component (Assignments / Presentations/ Quizzes / Class Participation/ etc.)	20% (C.E.C.)
B	Internal Assessment	30% (IA)
C	End-Semester Examination	50% (External Assessment)

SUGGESTED READINGS:
Text Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year
T-01	Samuelson & Nordhaus	Economics	McGraw Hill	1998)
T-02	Dominic Salvatore and Siddhartha K. Rastogi	Managerial Economics	Oxford	8 th Edition
T-03	Thompson, Arthur, A.,	Economics of Firm, Theory and Practice,	Prentice Hall	1977
T-04	Donald G. Newnan, ted G. Eschenbach, Jerome P. Lavelle	Engineering Economic Analysis	Oxford Publication	International 10 th Edition
T-05	Thomas, C. R & Maurice, S. C.	Managerial Economics: Foundations of Business Analysis and Strategy	Mc Graw Hill	2016

Reference Books:

Sr. No	Author/s	Name of the Book	Publisher	Edition & Year
R-01	James L. Riggs, David D. Bedworth Sabah U. Randhawa	Engineering Economics	McgrawHill	4rth Edition Indian
R-02	Geetika Piyali Ghosh and Purba Roy Choudhury	Managerial Economics	Mc Graw Hill Education	3rd Edition
R-03	Lipsey & Chrystal	Economics	Oxford	13 th Edition – International Edition