

UNIVERSITY OF MADRAS
B.A. DEGREE PROGRAMME IN ECONOMICS
 SYLLABUS WITH EFFECT FROM 2023-2024

THIRD YEAR - SEMESTER-V

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
304E5B	MANAGERIAL ECONOMICS	Discipline Specific Elective-V					3	4	25	75	100
Learning Objectives											
C1	To develop analytical and problem-solving skills among the students.										
C2	To enable students to Capital Budgeting and its concepts.										
C3	To understand the cost controls measures and its uses										
C4	To know the Demand for Durable and Non-Durable Products										
C5	To familiarize students of Pricing Policies and its Practices.										
UNIT	Contents								No. of Hours		
I	Introduction Nature and Scope of Managerial Economics - Meaning - Characteristics- Importance-Role and Responsibilities of Managerial Economist – Basic Economic Tools in Managerial Economics.								15		
II	Demand, Cost and Profit Analysis Demand for Durable and Non-Durable Products, Demand Forecasting Techniques -Statistical and Non-Statistical Techniques -Cost Estimation - Cost-Volume-Profit Analysis (Break Even Analysis)- Objectives and Assumptions; Determination of Break Even Point, Limitations								15		
III	Pricing Policies and Practices Objectives - Popular Pricing Methods and Strategies- Price Discounts and Differentials- Pricing by Manufacturers and Retailers- Price Forecasting.								12		
IV	Capital Budgeting Capital Budgeting: Need for capital budgeting- Different steps in Capital Budgeting- - Appraisal Methods – Payback Method, Accounting Rate of Return, Net Present Value method, Internal Rate of Return Method, Cost-Benefit Method - Capital Rationing.								18		
V	Cost of Capital Sources of Funds for Long Term Financing-Cost of Debt Capital -Cost of Preferred Stock -Cost of Equity Capital or Common Stock-Cost of Retained Earnings.								15		
Total									75		

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Course Outcomes		Programme Outcomes
CO	On completion of this course, students will	
1	Understand the Micro Economic Principles and applying it in Business Decision.	PO1,PO2
2	Examine the concepts of Demand, Cost and Profit	PO1,PO2
3	Determine and analyse the various Pricing Techniques.	PO2, PO3
4	Appraise the Project Proposals	PO4,PO3
5	Understand the sources of Finance for Business.	PO2, PO3
Textbooks		
1	Varshney R.L., and Maheshwari K.L. (1997), Managerial Economics, Sultan Chand, N Delhi	
2	Mehta P.L (1997), Managerial Economics, Sultan Chand, New Delhi.	
3	William F. Samuelson, Stephen G. Marks, “Managerial Economics”, Wiley,2014	
4	Michael R Baye, Managerial Economics & Business Strategy – Mc. Graw Hill, USA, 5th Edition 2006.	
5	Yogesh, Maheshwari, Managerial Economics, PHI Learning PvtLtd,2013	
Reference Books		
1.	Dominic Salvatore, (1993), Managerial Economics, McGraw Hill Inc, New York	
2.	Ahuja. H. L. (2004), Business Economics, S. Chand & Co, New Delhi.	
3.	L. Trivedi (2002), Managerial Economics: Theory and Applications Tata McGraw Hill.	
4.	Dwivedi D.N (2000), Managerial Economics, Vikas Publishing House Pvt Ltd	
5.	Gregory Mankiw(2008) Economics: Principles and Applications, New Delhi, Cengage Learning India.	
Web Resources		
1.	http://economics.about.com/od/pricing	
2.	www.rbi.org	
3.	https://nptel.ac.in/courses/110101005	
4.	https://www.managementstudyguide.com/managerial-economics	
5.	https://hbr.org/1976/11/pricing-policies-for-new-products	

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Mapping with Programme Outcomes:

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1	3	3	3	3	3	3	3	3
CO 2	3	3	3	3	3	3	3	3
CO 3	3	2	3	2	2	3	3	3
CO 4	3	3	3	3	3	3	3	3
CO 5	3	3	3	3	3	3	2	3
Weightage	15	14	15	14	15	15	14	15
Weighted percentage of course contribution to POS	3.0	2.8	3.0	2.8	2.8	3.0	2.8	3.00

S-Strong-3 M-Medium-2 L-Low-1

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	2	2	3	3
CO2	3	2	3	3	3
CO3	3	3	3	3	3
CO4	3	3	2	3	3
CO5	3	3	3	3	2
Weightage	15	13	13	15	14
Weighted percentage of Course Contribution to PSOs	3	2.6	2.6	3	2.8

S-Strong-3 M-Medium-2 L-Low-1