Gyanmanjari Innovative University

Syllabus
Gyanmanjari Institute of Management Studies
Semester-1(MBA)

Subject: Managerial Economics- MBA1XX11304

Type of course: Major (Core)

Prerequisite: A foundational grasp of economic principles and quantitative aptitude is essential to comprehend managerial decision-making frameworks.

Rationale: Managerial Economics integrates economic theory with business practices to enhance analytical thinking and optimize managerial decisions in real-world scenarios.

Teaching and Examination Scheme:

Teaching Scheme			Credits	Examination Marks		Total Marks
CI	T	P	C	ESE	CCE	
4	0	0	4	100	100	200

Legends: CI-Classroom Instructions; T – Tutorial; P - Practical; C – Credit; ESE - End Semester Examination; V – Viva; CA - Continuous Assessment; ALA- Active Learning Activities.

Course Content:

Sr. No	Course Content	Hrs.	% Weightage
1	**Theory Topics** **Foundations of Managerial Economics** • The Economic Way of Thinking in Business • Profit Concepts and Measurement • Managerial Objectives and Agency Issues • Market Structures and Strategic Behavior • Globalization and Competitive Dynamics **Practical 1** • **Business News Tracking Exercise** Track a company's decisions of 5 days through business news (e.g., pricing, investment, market expansion) and relate it to economic principles in a brief write-up.	**06 T** **06 P**	**20**

Practical 2

- **Write a Reflection on a Business Documentary**
  Watch a short business documentary or YouTube series like Shark Tank India or Startup Revolution. Write a one-page reflection connecting the decision-making to economic theories.
- **Examination Style:**

<table>
<tr><th>Sr. No</th><th>Evaluation Methods</th><th>ESE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 1
Understanding Economic Decisions
Students will prepare a document in Google Docs or MS Word where they describe any five day-to-day business or personal decisions. For each example, they will explain the opportunity cost and apply the concept of marginal analysis. Submit it as a PDF on the GMIU Web Portal.</td><td></td><td>10</td></tr>
<tr><td>2</td><td>ALA 2
Market Structure PPT Presentation
Students will create a PowerPoint presentation on any one market structure. The presentation should include the structure's main features, pricing behavior, and one example of a real company operating under that structure. Submit it on the GMIU Web Portal before the practical exam.</td><td></td><td>10</td></tr>
<tr><td>3</td><td>Global Market Entry Strategy
Students will select an Indian company and analyze the feasibility of entering a foreign market using economic indicators, market structure, and competitive strategy. They will prepare a report recommending whether the expansion is profitable and strategically sound.
<table>
<tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr>
<tr><td>A</td><td>Global Economic Application & Depth</td><td>5</td><td>Uses solid economic logic to evaluate the foreign market. In-depth analysis of macroeconomic conditions and industry competitiveness.</td></tr>
</table></td><td>10</td><td></td></tr>
</table>

		B	Strategic Feasibility & Innovation	5	Proposes realistic, strategic, and innovative market entry ideas that reflect managerial thinking and business acumen.			
	4	**Econometric Profit Prediction Model** Students will create a basic profit prediction model using assumed or real business data in Excel. They will analyze how factors like price, cost, and market size affect profit, and suggest strategic improvements based on their findings.				10		
		Parts	Criteria	Marks	Description			
		A	Technical Modeling & Economic Accuracy	5	Correct formulation of profit model and relationships between variables. Logical use of data and economic assumptions.			
		B	Interpretation & Managerial Insight	5	Meaningful, data-driven suggestions for management based on model outcomes. Clarity in explaining results.			
		Total				20	20	
2	**Theory Topics** **Demand, Supply, and Consumer Analysis** • Demand and Supply Functions • Elasticity of Demand and Revenue Relationships • Consumer Choice and Utility Maximization • Substitution and Income Effects • Measuring Market Surplus						**05 T** **07 P**	**20**

Practical 1

- **Conduct a Market Survey on Student Preferences**
  Design a questionnaire on product preferences (e.g., snacks, stationery, mobile plans). Collect responses from 20 peers and interpret the demand pattern based on price and quality.

Practical 2

- **Classroom Role-play: Marketplace Simulation**
  Students are assigned roles as buyers and sellers of a product. Through live negotiation, determine the equilibrium price and quantity. Reflect on how demand–supply interacts dynamically.

Examination Style:

<table>
<tr><th>Sr. No</th><th>Evaluation Methods</th><th>ESE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 3
Short Case Study:
Students are given a short business scenario (e.g., hiring more staff vs. investing in software). They must prepare a PPT on which option is better using marginal thinking and present in the classroom.</td><td></td><td>10</td></tr>
<tr><td>2</td><td>ALA 4
Business News Analysis – “Economics Behind the Headlines”
Students will choose any recent business news article from sources like Economic Times, Mint, or Business Standard and prepare a PPT on the news and explain in the class how it links to concepts of economics .</td><td></td><td>10</td></tr>
<tr><td>3</td><td>Elasticity Impact Analysis on Business Revenue

Students will select a real product (e.g., petrol, smartphones) and analyze how changes in price affect demand using elasticity concepts. They must calculate and interpret price elasticity of demand and project revenue outcomes under different pricing scenarios.
<table>
<tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr>
<tr><td>A</td><td>Application of Elasticity Concepts</td><td>5</td><td>Accurate calculation and application of elasticity in real-world pricing context.</td></tr>
</table></td><td>10</td><td></td></tr>
</table>

<table>
<tr><td></td><td></td><td></td><td>B</td><td>Revenue Interpretation & Business Implication</td><td>5</td><td>Logical analysis of revenue changes and clear managerial recommendations.</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>4</td><td colspan="5">Consumer Choice Simulation using Budget Constraints
Students will simulate consumer choice behavior under different income levels and prices for two goods. They will draw indifference curves, budget lines, and demonstrate substitution and income effects graphically and mathematically.
<table><tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr><tr><td>A</td><td>Graphical & Mathematical Accuracy</td><td>5</td><td>Accurate construction of indifference curves, budget lines, and correct analysis of utility maximization.</td></tr><tr><td>B</td><td>Analysis of Consumer Behavior</td><td>5</td><td>Clear explanation of how choices shift due to income and substitution effects with managerial insights.</td></tr></table></td><td>10</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td colspan="5">Total</td><td>20</td><td>20</td><td></td><td></td></tr>
<tr><td></td><td colspan="10">Theory Topics
Optimization in Managerial Decision-Making
• Marginal Analysis for Optimal Decisions
• Constrained Optimization Techniques
• Basic Mathematical Tools for Managers
• Regression and Forecasting Fundamentals
• Demand Estimation and Time-Series Forecasting</td><td>06 T</td><td></td></tr>
<tr><td>3</td><td colspan="10">Practical 1
• Group Discussion
• Watch & Reflect:
Students will be assigned a short animated video on cost optimization or decision trees. Students submit a short reflection on what they learned and one real-life example.</td><td>06 P</td><td>20</td></tr>
</table>

Practical 2

- **Budget Allocation Simulation**
  Students will be given a hypothetical budget to allocate between 3 departments with different expected returns. Students will prepare a PPT on why they have selected a particular amount per department.

Examination Style:

<table>
<tr><th>Sr. No</th><th>Evaluation Methods</th><th>ESE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 5
Budget Allocation Simulation – "Optimizing Departmental Spend"
Given a hypothetical ₹1,00,000 budget, students must allocate resources to Marketing, HR, and R&D based on expected ROI. Submit a PPT justifying their decision with marginal benefit logic. Upload it on GMIU Web Portal</td><td></td><td>10</td></tr>
<tr><td>2</td><td>ALA 6
Storyboard on the Concept of Diminishing Returns
Design a simple comic or storyboard where inputs increase (e.g., chefs in a kitchen) and productivity initially rises but eventually falls and make a report for the same and submit it on GMIU Web Portal.</td><td></td><td>10</td></tr>
<tr><td>3</td><td>Break-Even and Contribution Margin Analysis for a Product Line
Students will analyze cost and revenue data of a selected product to calculate break-even quantity and contribution margin. Based on results, they will make pricing or production recommendations for profit planning.
<table>
<tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr>
<tr><td>A</td><td>Accuracy of Calculations</td><td>5</td><td>Correct break-even, contribution margin, and use of cost-revenue logic.</td></tr>
<tr><td>B</td><td>Managerial Interpretation</td><td>5</td><td>Logical recommendations and insight into business decision-making.</td></tr>
</table></td><td>10</td><td></td></tr>
</table>

<table>
<tr><td></td><td>4</td><td>Business Demand Estimation Survey and Analysis
Students will design and conduct a small-scale consumer survey (offline or Google Form) to collect data on price sensitivity and product preferences. They will estimate a simple demand pattern using average responses and draw a basic demand curve.
<table><tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr><tr><td>A</td><td>Data Collection & Demand Insights</td><td>5</td><td>Relevant data collection, summary of patterns, and demand trend explanation.</td></tr><tr><td>B</td><td>Presentation & Practical Relevance</td><td>5</td><td>Clarity in findings and how they apply to marketing or pricing decisions.</td></tr></table></td><td>10</td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td>Total</td><td>20</td><td>20</td><td></td><td></td></tr>
<tr><td></td><td>4</td><td>Theory Topics
Production and Cost Analysis
• Short-Run Production and Cost Functions
• Long-Run Production and Cost
• Cost Estimation and Empirical Analysis
• Economies of Scale and Scope
Practical 1
• Create a Comparative Analysis Report of Two Firms' Cost Structures
Compare the cost components of two companies in the same sector. Use available data or assumptions. Highlight who enjoys better cost control and why.
Practical 2
• Cost Planning for a College Fest Event
Prepare a mini-cost sheet for organizing a department event. Include venue, materials, human resources, promotions, and refreshments. Identify fixed and variable components.</td><td></td><td>05 T
07 P</td><td>20</td></tr>
</table>

Examination Style:

<table>
<tr><th>Sr. No</th><th>Evaluation Methods</th><th>ESE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 7
Price Comparison Report – "Analyzing Brand-Level Pricing"
Students select one product category (e.g., chocolates or detergent) and compare 3–5 brands across platforms. Submit a PDF report analyzing pricing logic using market structure and value propositions.</td><td></td><td>20</td></tr>
<tr><td>2</td><td>Total Factor Productivity (TFP) Analysis for a Firm
Students will use hypothetical or real data on inputs (labor, capital) and output to compute Total Factor Productivity (TFP) and interpret what it reveals about production efficiency over time or between departments.
<table>
<tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr>
<tr><td>A</td><td>Accuracy of TFP Calculation</td><td>5</td><td>Correct use of formula and input-output data to compute productivity.</td></tr>
<tr><td>B</td><td>Insight into Production Efficiency</td><td>5</td><td>Practical and logical interpretation of results to assess efficiency.</td></tr>
</table></td><td>10</td><td></td></tr>
<tr><td>3</td><td>Comparative Study of Economies of Scope in Multi-Product Firms
Students will select a real-life company offering multiple products (like ITC or Tata) and study how shared resources (marketing, infrastructure, distribution) reduce cost. They must evaluate whether economies of scope exist and how they benefit the firm.
<table>
<tr><th>Parts</th><th>Criteria</th><th>Marks</th><th>Description</th></tr>
<tr><td>A</td><td>Understanding of Economies of Scope</td><td>5</td><td>Clear identification and explanation of cost-saving synergies between products.</td></tr>
</table></td><td>10</td><td></td></tr>
</table>

		B	Strategic Business Insight	5	Realistic and insightful conclusion on how scope benefits influence decisions.				
		Total				20	20		

Theory Topics

Pricing, Strategy, and Market Power

- Perfect Competition and Short-Run Equilibrium
- Monopoly and Price-Setting Firms
- Oligopoly and Strategic Interactions
- Advanced Pricing Techniques
- Risk, Uncertainty, and Managerial Decisions

Practical 1

- **Create a Price Comparison Report of Similar Products**
  Visit a local supermarket or browse e-commerce platforms (e.g., Amazon, Flipkart). Select one product category (e.g., toothpaste or chocolate) and compare prices of 3–5 brands. Analyze the pricing logic based on packaging, branding, quality, or offers.

Practical 2

- **Simulate a "Shark Tank" Business Pitch with Pricing Focus**
  Students create a fictional product and pitch it with focus on pricing – explaining cost-based, value-based, or competition-based pricing. Judges (peers/faculty) give feedback on pricing suitability
- **Develop a Monopoly Pricing Report**
  Take a monopoly-like product/service (e.g., IRCTC, Local Electricity Provider). Analyze how they set prices, and whether the absence of competition affects consumer welfare.

Examination Style:

Sr. No	Evaluation Methods	ESE	CCE
1	**Price Discrimination Case Study Analysis** Students will select a real-world company using price discrimination (e.g., railways, movie theatres, airlines) and analyze its pricing strategy across customer segments. They will identify the type used (first, second, or third-degree) and assess its effectiveness.		20

Parts	Criteria	Marks	Description
A	Identification &	5	Correct recognition of the pricing technique

5		06 T 06 P	20

			Classification		and segmenting logic.			
		B	Business Impact Assessment	5	Clear explanation of how the strategy improves revenue or market efficiency.			
	2	**Risk Based Pricing Decision making under uncertainty** Students will evaluate a business scenario (e.g., launching a new product or pricing in a volatile market) with uncertain demand or cost conditions. They must propose a pricing strategy based on risk assessment and expected outcomes.				20	-	
		Parts	Criteria	Marks	Description			
		A	Risk Analysis & Strategy Formulation	5	Logical risk evaluation and appropriate pricing decision under uncertainty.			
		B	Business Justification	5	Practical reasoning and insight into how the pricing strategy manages risk.			
		Total				20	-	

Suggested Specification table:

Distribution of Marks **(Revised Bloom's Taxonomy)**						
Level	Remembrance (R)	Understanding (U)	Application (A)	Analyze (N)	Evaluate (E)	Create (C)
Weightage %	10%	20%	10%	20%	20%	20%

Note: This specification table shall be treated as a general guideline for students and teachers. The actual distribution of marks in the question paper may vary slightly from above table.

Course Outcome:

After learning the course, the students should be able to:	
CO1	Understand fundamental economic principles of managerial decision-making.
CO2	Analyze demand, supply, and consumer behavior using elasticity and utility concepts.
CO3	Apply optimization techniques and forecasting tools for effective business planning.
CO4	Evaluate pricing strategies and market structures to develop competitive business strategies.
CO5	Explore pricing strategies across market structures to support effective managerial decisions.

Instructional Method:

The course delivery method will depend upon the requirement of content and needs of students. The teacher, in addition to conventional teaching methods by black board, may also use any tools such as demonstration, role play, Quiz, brainstorming, MOOCs etc.

From the content 10% topics are suggested for flipped mode instruction.

Students will use supplementary resources such as online videos, NPTEL/SWAYAM videos, e-courses, Virtual Laboratory.

The internal evaluation will be done on the basis of the Active Learning Assignment.

Practical/Viva examination will be conducted at the end of semester for evaluation of performance of students in the laboratory.

Reference Books:

[1.] D.N. Dwivedi (2021). Managerial Economics (9th ed.). Vikas Publishing House.

[2.] H.L.Ahuja (2017). Managerial Economics: Analysis of managerial decision making. S Chand Publishing House.

[3.] Hirschey, M. (2019). Managerial Economics (14th ed.). Cengage Learning.

[4.] Christopher R. Thomas & S. Charles Maurice (2020). Managerial Economics: Foundations of Business Analysis and Strategy (13th ed.). McGraw-Hill Education.

[5.] Paul G. Keat, Philip K. Y. Young & Stephen Erfle (2019). Managerial Economics: Economic Tools for Today's Decision Makers (8th ed.). Pearson Education.