Gyanmanjari
Innovative University

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

Subject: Business Economics – BBA2XX11303

Type of course: Minor Course

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	SEE	CCE	
4	0	0	4	100	100	200

Legends: CI-Classroom Instructions; T – Tutorial; P - Practical; C – Credit; SEE - Semester End 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** Students track a company's business decisions for five days through news articles related to pricing, investment, expansion, or marketing. This helps them understand how economic principles are applied in real business decision-making.	06 T 06 P	20

Practical 2: Business Documentary Reflection
Students watch a business documentary or startup program like Shark Tank India and prepare a reflection report. The activity helps them connect managerial economics concepts with practical business situations.

Practical 3: Business Decision-Making Using Economic Thinking
Students will analyze a real or hypothetical business scenario and apply economic reasoning to identify problems, evaluate alternatives, and recommend the most efficient decision. The activity will demonstrate the practical application of the economic way of thinking in business.

Practical 4: Market Structure Identification Study
Students select companies from different industries and classify them into market structures such as monopoly or oligopoly. This helps them understand competition and market behavior practically.

- **Examination Style:**

Sr. No	Evaluation Methods	SEE	CCE
1	**ALA 1** **Understanding Economic Decisions:** Students will prepare a document in Google Docs 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.		10
2	**ALA 2** **Market Structure Presentation:** Students will create a 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.		10
3	**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.	10	
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,	10	

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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

Practical 1: Product Choice and Demand Analysis Activity
Students will choose products from different options within a fixed budget and analyze how factors like price, income, and preferences influence consumer demand and buying decisions.

Practical 2: Marketplace Simulation Role Play
Students act as buyers and sellers in a simulated market to negotiate prices and quantities. The activity helps them understand demand, supply, and market equilibrium practically.

Practical 3: Demand Curve Preparation Using Real Data
Students collect price and demand data from local markets and prepare a demand curve. This helps them understand the relationship between price and quantity demanded graphically.

Practical 4: Consumer Utility Ranking Activity
Students prepare a utility ranking table for selected products based on satisfaction levels. This activity explains how consumers maximize utility with limited income.

Examination Style:
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<tr><td>1</td><td>ALA 3
Case Study:
Students are given a short business scenario (e.g., hiring more staff vs. investing in software). They must prepare a presentation on which option is better using marginal thinking and present in the classroom. Upload it on GMIU Web Portal</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,</td><td></td><td>10</td></tr>
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		or Business Standard and prepare a presentation on the news and explain in the class how it links to concepts of economics. Upload it on GMIU Web Portal				
	3	**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.	10			
	4	**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.	10			
		Total	20	20		
3		**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 **Practical 1: Watch and Reflect on Optimization Concepts** Students watch videos related to optimization or decision-making techniques and prepare a reflection report. This helps them connect theoretical optimization concepts with practical business applications. **Practical 2: Budget Allocation Simulation** Students allocate a hypothetical budget among different departments and justify their decisions. This activity develops resource allocation and marginal analysis skills. **Practical 3: Sales Forecasting Using Moving Average Method** Students use past sales data to forecast future demand using moving average techniques. This helps them understand forecasting and planning in business management.			**06 T** **06 P**	**20**

Practical 4: Marginal Cost and Marginal Benefit Analysis
Students analyze business situations by comparing additional costs and benefits of decisions. This activity helps them identify optimum business choices using marginal analysis.

Examination Style:

Sr. No	Evaluation Methods	SEE	CCE
1	**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 presentation justifying their decision with marginal benefit logic. Upload it on GMIU Web Portal		10
2	**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.		10
3	**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.	10	
4	**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.	10	
	Total	20	20

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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: Comparative Cost Structure Analysis
Students compare the cost structures of two companies in the same industry using business data. This helps them understand fixed costs, variable costs, and production efficiency.

Practical 2: Event Cost Planning
Students prepare a detailed cost sheet for organizing a event including venue, promotion, and manpower expenses. This activity develops budgeting and financial planning skills.

Practical 3: Fixed and Variable Cost Classification Exercise
Students prepare a list of fixed and variable costs for a small business. This helps them understand cost classification and its impact on production decisions.

Practical 4: Economies of Scale Observation Study
Students study how large-scale businesses reduce production costs through bulk purchasing or automation. This helps them understand economies of scale in practical business operations.

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<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. Upload it on GMIU Web Portal</td><td></td><td>10</td></tr>
<tr><td>2</td><td>Activity: 1
“Voicing Perspectives on Current Economic Issues”:
Students select a current economic issue (e.g., inflation, GST reforms, Union Budget, unemployment, digital currency, disinvestment, or fiscal deficit) and deliver a 3–5 minute speech analyzing its causes, economic impact, and possible policy solutions. The speech is</td><td></td><td>10</td></tr>
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		evaluated based on content quality, clarity, confidence, and time management. Upload the presentation summary or participation proof to the GMIU Web Portal.				
	3	**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.	10			
	4	**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.	10			
		Total	20	20		
5	**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: Classroom Product Pricing Strategy Activity** Students will be divided into groups and asked to set prices for a hypothetical product based on factors like cost, competition, and target customers. They will justify their pricing decisions and analyze how pricing strategies affect customer demand and profitability. **Practical 2: Shark Tank Pricing Pitch Simulation** Students create a fictional product and present a pricing-based business pitch. This develops entrepreneurial thinking and understanding of pricing strategies in business. **Practical 3: Competitor Pricing Analysis** Students compare pricing strategies of competing brands in the same product category. This helps them identify different pricing techniques such as penetration or premium pricing.				**06 T** **06 P**	**20**

Practical 4: Risk and Decision-Making Scenario Analysis
Students analyze business situations involving uncertainty and risk. This activity develops their ability to evaluate risks and make suitable managerial decisions under uncertain conditions.

Examination Style:

Sr. No	Evaluation Methods	SEE	CCE
1	**Activity: 2** **"Explaining Economics Through Everyday Life":** Students create a self-written blog explaining basic economic principles using relatable real-life examples. Convert the completed blog into a PDF and submit it by uploading it to the GMIU Web Portal.	-	10
2	**Activity: 3** **Current Budget Analysis Report:** Students analyze the current Union Government Budget by identifying its key announcements, sector-wise allocations, and major economic implications. Prepare a presentation summarizing the analysis, convert it into PDF and upload it to the GMIU Web Portal.		10
3	**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	-
	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	Create pricing strategies across market structures to support effective managerial decisions.

Instructional Method:

The course delivery method will depend upon the requirement of content and need of students.

A minimum of 20–30% of the course content shall be suggested to deliver through Flipped Learning, where students study digital learning resources before the classroom session. Classroom time shall be utilized for discussion, problem-solving, practical applications, and higher-order learning activities.

Students shall be encouraged to use AI-powered learning platforms, simulation software, virtual laboratories, digital libraries, research databases, online certification courses, NPTEL, SWAYAM, MOOCs, and other technology-enabled learning resources to strengthen conceptual understanding and practical competence.

Continuous assessment shall be conducted through Active Learning Assignments (ALAs), quizzes, skill demonstrations, presentations, practical exercises, projects, case studies, innovation activities, peer assessment, reflective learning, and industry-oriented tasks instead of relying primarily on conventional written assignments.

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.

Suggested Guidelines:

SEE	Topic	Criteria	Marks	Description
1	Global Market Entry Strategy	Global Economic Application & Depth	5	Uses economic indicators and market analysis effectively for foreign market evaluation.
		Strategic Feasibility & Innovation	5	Suggests realistic and innovative market entry strategies with managerial insight.
2	Econometric Profit Prediction Model	Technical Modeling & Economic Accuracy	5	Correctly develops a profit model using suitable variables and assumptions.
		Interpretation & Managerial Insight	5	Provides meaningful managerial suggestions based on model results.
3	Elasticity Impact Analysis on Business Revenue	Application of Elasticity Concepts	5	Correctly calculates and interprets elasticity using real product data.
		Revenue Interpretation & Business Implication	5	Logically explains revenue impact and managerial recommendations.
4	Consumer Choice Simulation using Budget Constraints	Graphical & Mathematical Accuracy	5	Correctly draws indifference curves and budget lines with proper calculations.
		Analysis of Consumer Behavior	5	Clearly explains substitution and income effects with practical insights.
5	Break-Even and Contribution Margin Analysis for a Product Line	Accuracy of Calculations	5	Correctly calculates break-even point and contribution margin.
		Managerial Interpretation	5	Provides logical pricing and production recommendations.
6	Business Demand Estimation Survey and Analysis	Data Collection & Demand Insights	5	Relevant consumer data is collected and demand trends are identified properly.
		Presentation & Practical Relevance	5	Findings are clearly presented with practical business applications.

7	**Total Factor Productivity (TFP) Analysis for a Firm**	Accuracy of TFP Calculation	5	Correctly applies formula and computes productivity accurately.
		Insight into Production Efficiency	5	Provides logical interpretation of productivity and efficiency outcomes.
8	**Comparative Study of Economies of Scope in Multi-Product Firms**	Understanding of Economies of Scope	5	Clearly identifies shared resources and cost-saving synergies.
		Strategic Business Insight	5	Provides practical conclusions regarding business advantages.
9	**Risk Based Pricing Decision making under uncertainty**	Risk Analysis & Strategy Formulation	10	Logically evaluates risks and formulates suitable pricing strategies.
		Business Justification	10	Provides practical and realistic business reasoning for pricing decisions.