Gyanmanjari Innovative University

Syllabus
Gyanmanjari Institute of Management Studies
Semester-1 MBA

Subject: Managerial Economics - MBA2XX11501

Type of course: Core Course (CC)

Prerequisite:

Students should have a basic understanding of economic concepts such as demand and supply, along with elementary mathematical and analytical skills. Familiarity with the business environment and basic statistics will help in better understanding and application of the subject.

Rationale:

This Course equips students with the ability to apply economic theories to business decision-making. It helps in understanding market dynamics, optimizing resource utilization, and formulating effective business strategies. The subject builds a strong foundation for managerial roles by enhancing analytical and problem-solving skills.

Teaching and Examination Scheme:

Teaching Scheme			Credits	Examination Marks		Total Marks
CI	T	P	C	SEE	CCE	
4	0	0	4	100	50	150

Legends: CI-Class Room Instructions; T – Tutorial; P - Practical; C – Credit; SEE - Semester End Evaluation; LWA - Lab Work Assessment; V – Viva voce; CCE-Continuous and Comprehensive Evaluation; ALA- Active Learning Activities.

Course Content:

Sr. No	Course Content	Hrs.	% Weightage
1	**Business Economics: Concepts and Managerial Decision Making** **Theory Topics** • Meaning, Nature and Scope of Business Economics • Role of Business Economics in Managerial Decision Making	**05 T** **07 P**	**20**

- Economic Thinking and Decision-Making Process
- Opportunity Cost and Incremental (Marginal) Analysis
- Marginal Cost, Marginal Revenue and Marginal Decision Rule
- Optimization Techniques in Business Decisions
- Objectives of the Firm: Profit Maximization, Sales Maximization and Wealth Maximization
- Business Ethics in Economic Decision Making
- Economic Environment and Its Impact on Managerial Decision-Making
- Contemporary Applications of Business Economics in the Digital Economy

Practical 1: Business Decision Analysis

Students will analyze a real-life business decision taken by a company (such as pricing, expansion, investment, or product launch) and identify the economic principles that influenced managerial decision-making.

Practical 2: Opportunity Cost and Marginal Decision Exercise

Students will evaluate alternative business scenarios and identify opportunity costs and marginal benefits to recommend the most economically efficient managerial decision.

Practical 3: Economic Environment and Managerial Decision Analysis

Students will analyze key economic factors such as inflation, income levels, interest rates, employment, market demand, government policies, and exchange rates affecting a selected business and evaluate their impact on pricing, demand, production, cost, investment, and profitability decisions.

Practical 4: Managerial Decision Simulation

Students will participate in a business simulation involving resource allocation, pricing, production, or investment decisions under changing market conditions to understand the application of economic reasoning in business.

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Examination Style:
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<tr><th>Sr. No</th><th>Evaluation Methods</th><th>SEE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 1: Business Economics Observation
Students will identify five managerial decisions taken by different organizations from newspapers, business magazines, or company websites. They will explain the economic concepts applied in each decision and submit the report as per the guidelines and upload through the GMIU Web Portal.</td><td></td><td>10</td></tr>
<tr><td>2</td><td>Case studies: students will be given case studies based on the topic they learned in the classroom.</td><td>20</td><td></td></tr>
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Demand, Supply, and Consumer Analysis
Theory Topics

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.
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<tr><th>Sr. No</th><th>Evaluation Methods</th><th>SEE</th><th>CCE</th></tr>
<tr><td>1</td><td>AI Assisted Business Decision Challenge: Students will use an AI tool to evaluate a managerial problem related to pricing, investment, production, cost, or resource allocation and identify relevant economic principles.</td><td></td><td>10</td></tr>
<tr><td>2</td><td>Business Scenario Analysis Students are given a short business scenario (e.g., hiring more staff vs. investing in software). They will answer the questions being a manager in the supplementary itself.</td><td>20</td><td></td></tr>
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Production, Cost Analysis and Managerial Optimization
Theory Topics
• Production Function: Meaning and Importance
• Factors of Production and Production Process
• Short-Run and Long-Run Production Functions
• Law of Variable Proportions
• Returns to Scale
• Cost Concepts: Fixed Cost, Variable Cost, Total Cost, Average Cost and Marginal Cost
• Short-Run and Long-Run Cost Curves
• Break-even Analysis and Margin of Safety
• Managerial Applications of Cost Analysis in Business Decision Making
• Optimization of Resources for Business Efficiency

Practical 1: Production Process Analysis
Students will study the production process of a manufacturing or service organization and identify the inputs, outputs, production stages, and factors influencing productivity. They will present their findings with suitable managerial recommendations.

Practical 2: Cost Structure Analysis
Students will collect or prepare cost data of a business organization and classify various costs into fixed, variable, semi-variable, and marginal costs. They will analyze the impact of cost behaviour on managerial decision-making.

Practical 3: Break-even Analysis Using Excel
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Students will prepare a Break-even Analysis using Microsoft Excel by calculating Break-even Point, Margin of Safety, and Profit-Volume Ratio for a selected business scenario. They will interpret the results for managerial decision-making.

Practical 4: Resource Optimization Case Study
Students will analyze a business case involving limited resources and recommend the optimum allocation of resources to maximize organizational efficiency using marginal analysis and cost concepts.

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<tr><th>Sr. No</th><th>Evaluation Methods</th><th>SEE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 3: Break-Even and Profit Planning Challenge
Students will be given a simple business problem with information on selling price, fixed cost, variable cost, and sales. They will calculate the break-even point, margin of safety, contribution, and profit, and use the results to suggest a better business decision.</td><td></td><td>10</td></tr>
<tr><td>2</td><td>Graphical presentation: Students will prepare a structured visual representation of a selected business's cost structure and profitability using appropriate economic diagrams, including Total Cost, Average Cost, Marginal Cost, Revenue, and Break-Even diagrams. They will interpret the diagrams and present key managerial insights regarding cost behaviour, production decisions, and profitability.</td><td>20</td><td></td></tr>
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Pricing, Strategy, and Market Power
Theory Topics

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
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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.

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	**ALA 4: Price Discrimination Analysis** Students will critically examine the pricing practices of a selected real-world organization employing price discrimination. They will identify and classify the applicable form of price discrimination, analyze its application across distinct customer segments, and evaluate its implications for demand, revenue, consumer welfare, and overall business performance.		10
2	**Caselets:** Students will analyze a structured pricing scenario involving market demand, costs, competitors, and customer segments. They will evaluate alternative pricing strategies using relevant economic principles and justify the pricing decision that is most appropriate for achieving the specified business objective.	20	
	Total	20	10

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Business Environment and Macroeconomic Analysis
Theory Topics
• Meaning, Nature and Components of Business Environment
• Economic Environment and its Impact on Business Decisions
• Gross Domestic Product (GDP), Gross National Product (GNP) and National Income
• Aggregate Consumption, Gross Domestic Savings and Gross Domestic Capital Formation
• Inflation: Concepts, Causes and Measurement (WPI & CPI)
• Employment and Unemployment: Types and Business Implications
• Money Supply: Concepts and Measurement
• Consumption Function and Determination of National Income
• Fiscal Policy and Monetary Policy: Instruments and Business Impact
• Business Response to Changing Economic Environment

Practical 1: Economic Indicator Analysis
Students will analyze India's recent GDP growth, inflation rate, employment statistics, and other macroeconomic indicators using government reports and business publications. They will interpret their impact on business organizations.

Practical 2: Union Budget and RBI Policy Review
Students will evaluate the latest Union Budget or Reserve Bank of India Monetary Policy and assess its implications for different business sectors, investment decisions, and economic growth.

Practical 3: Business Environment Case Study
Students will analyze a business organization that has been significantly affected by changes in the economic environment such as inflation, taxation, interest rates, exchange rates, or government policies, and recommend suitable managerial responses.

Practical 4: Economic Dashboard Development
Students will develop an Economic Dashboard using Microsoft Excel or Power BI by presenting key macroeconomic indicators such as GDP, inflation, interest rates, unemployment, and industrial production. They will interpret business implications based on current economic trends.
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<tr><th>Sr. No</th><th>Evaluation Methods</th><th>SEE</th><th>CCE</th></tr>
<tr><td>1</td><td>ALA 5: Economic Trend Poster: Students will prepare an evidence-based visual poster illustrating selected</td><td></td><td>10</td></tr>
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		economic trends in India and their potential implications for businesses. The poster shall incorporate relevant economic data, graphical representations, cause-and-effect relationships, and key managerial insights.				
	2	**Conceptual Explanation (Viva):** Students will be asked individual viva questions on the assigned managerial economics concept and its relevant business application. They must demonstrate conceptual clarity, practical understanding, and the ability to justify their answers through appropriate economic reasoning.	20			
		Total	20	10		

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%	10%	20%	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	Apply fundamental business economics concepts and managerial decision-making techniques to solve business problems.
CO2	Analyze demand, consumer behaviour, and forecasting techniques to support strategic business planning and managerial decisions.
CO3	Evaluate production, cost behaviour, and optimization techniques for efficient resource allocation and business performance.
CO4	Assess organizational objectives, market dynamics, and competitive strategies to formulate effective managerial decisions.
CO5	Examine the impact of the business environment and macroeconomic factors on organizational performance and strategic decision-making.

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.

References

[1] Ahuja, H. L. (2019). Business economics (LPSPE). S. Chand Publishing.

[2] Baye, M. R., & Prince, J. T. (2025). Managerial economics and business strategy (10th ed.). McGraw Hill.

[3] Dwivedi, D. N. (2024). Managerial economics (10th ed.). Vikas Publishing.

[4] Mankiw, N. G. (2024). Principles of economics (10th ed.). Cengage Learning.

[5] McGraw Hill Education. (n.d.). Economics. McGraw Hill Education.

[6] McGraw Hill Education. (n.d.). Managerial economics. McGraw Hill Education.

[7] Mehta, P. L. (n.d.). Managerial economics: Analysis, problems and cases. Sultan Chand & Sons.

[8] Premraj, H. (n.d.). Business economics (as per TANSCHE syllabus). Margham Publications.

[9] Salvatore, D., & Rastogi, S. K. (2020). Managerial economics: Principles and worldwide applications (9th ed.). Oxford University Press.

[10] Singh, R. (2026). Courseware on Indian economy (18th ed.). McGraw Hill Education.

Suggested Assessment Guidelines:

Sr. No.	SEE Topic	Part / Criteria	Marks	Description
1	Business Economics: Concepts and Managerial Decision Making	Case studies	20	students will be given case studies based on the topic they learned in the classroom.
2	Demand, Supply, and Consumer Analysis	Real Life Example solution	20	Students are given a short business scenario (e.g., hiring more staff vs. investing in software). They will answer the questions being a manager in the supplementary itself.

3	Production, Cost Analysis and Managerial Optimization	Graphical presentation and interpretation	20	Students will prepare a structured visual representation of a selected business's cost structure and profitability using appropriate economic diagrams, including Total Cost, Average Cost, Marginal Cost, Revenue, and Break-Even diagrams. They will interpret the diagrams and present key managerial insights regarding cost behaviour, production decisions, and profitability.
4	Pricing, Strategy, and Market Power	Caselets	20	Students will analyze a structured pricing scenario involving market demand, costs, competitors, and customer segments. They will evaluate alternative pricing strategies using relevant economic principles and justify the pricing decision that is most appropriate for achieving the specified business objective.
5	Business Environment and Macroeconomic Analysis	Conceptual Explanation (Viva)	20	Students will be asked individual viva questions on the assigned managerial economics concept and its relevant business application. They must demonstrate conceptual clarity, practical understanding, and the ability to justify their answers through appropriate economic reasoning.