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**Title: Managerial Economics****Code: MGMT 513****Credit Hours: 3****Year /Semester: I/I****48 Hours**

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**Course Objectives:**

This course has been designed in order to provide knowledge on various principles and models of Economics to the students so that they apply them for analyzing and interpreting the situations and making correct decisions to solve business problems.

**Unit 1 Introduction****14 Hours**

Nature, Scope and Significance of Managerial Economics, Its Relationship with other Disciplines, Role of Managerial Economics in Decision Making; Demand Analysis for Decision Making, Determinants of demand, Law of demand, Law of supply; Movement and shift of supply curve; Elasticity of demand, Demand estimation, Demand forecasting, Opportunity cost Principle, Production Possibility Curve, Incremental Concept, Cardinal and Ordinal Approaches to Consumer Behaviour: Equi-Marginal Principle, Law of Diminishing Marginal Utility, Indifference Curve Analysis, (Emphasis to be given on analyzing managerial implications and solving simple numerical problems)

**Unit 2 Cost and Pricing Analysis****8 Hours**

Cost Concepts (Opportunity cost, Explicit, Implicit, Marginal, Incremental, Fixed and Variable, Sunk, Controllable and uncontrollable cost), Short Run and Long Run Cost Functions, Price and Output Decisions under Different Markets (Perfect, Monopoly Monopolistic and Oligopoly)

**Unit 3 Profit Analysis****6 Hours**

The concept of profit, Nature and measurement of profit, Profit Theories, Profit planning and control, Break Even analysis

**Unit 4 Macroeconomic Policy****10 Hours**

Introduction to Macroeconomics: Nature and Importance; Economic Growth and Development, Determinants of Economic Development; Methods of Measurement of National Income; Inflation: Meaning, Theories, and Control Measures; Recent Developments in Nepalese Economy, An overview of macro economic policy, A circular flow of Income, Concepts of consumption, Savings and investment, Determinants of consumption and savings

**Unit 5 Business Cycle****10 Hours**

Causes of Inflation and Deflation, Business cycle, Consequences and measures to solve the problems of business cycle, An introduction to International Trade, Foreign exchanges

**Reference Books:**

1. Hirschey, Mark (2009) *Fundamentals of Managerial Economics*, 9th edition, Cengage Learning.
2. Salvatore, D. (2006). *Managerial Economics in a Global Economy*, 6th Edition, Oxford University Press.
3. Petersen, H. C., Cris, L W and Jain, S.K. (2008). *Managerial Economics*, 1st edition, Pearson Education