

III Year – I SEMESTER

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### MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

#### Unit – I:

(\*The Learning objective of this Unit is to understand the concept and nature of Managerial Economics and its relationship with other disciplines, Concept of Demand and Demand forecasting)

#### Introduction to Managerial Economics and demand Analysis:

Definition of Managerial Economics and Scope-Managerial Economics and its relation with other subjects-Concepts of Demand-Types-Determents-Law of Demand its Exception-Elasticity of Demand-Types and Measurement-Demand forecasting and its Methods.

(\*\*The Learner is equipped with the knowledge of estimating the Demand for a product and the relationship between Price and Demand)

#### Unit – II:

(\*The Learning objective of this Unit is to understand the concept of Production function, Input Output relationship, different Cost Concepts and Concept of Cost-Volume-Profit Analysis)

#### Production and Cost Analyses:

Production function-Isoquants and Isocosts-Law of Variable proportions-Cobb-Douglas Production function-Economics of Sale-Cost Concepts-Opportunity Cost-Fixed vs Variable Costs-Explicit Costs vs Implicit Costs-Out of Pocket Costs vs Imputed Costs-Cost Volume Profit analysis-Determination of Break-Even Point (Simple Problem).

(\*\*One should understand the Cost Concepts for decision making and to estimate the least cost combination of inputs).

#### Unit – III:

(\*The Learning Objective of this Unit is to understand the Nature of Competition, Characteristics of Pricing in the different market structure and significance of various pricing methods)

#### Introduction to Markets, Theories of the Firm & Pricing Policies:

Market Structures: Perfect Competition, Monopoly and Monopolistic and Oligopoly – Features – Price, Output Determination – Managerial Theories of firm: Maris and Williamson's models – Methods of Pricing: Limit Pricing, Market Skimming Pricing, Internet Pricing: Flat Rate Pricing, Usage sensitive, Transaction based pricing, Priority Pricing.

(\*\* One has to understand the nature of different markets and Price Output determination under various market conditions)

#### **Unit – IV:**

(\***The Learning objective of this Unit is to know the different forms of Business organization and their Merits and Demerits both public & private Enterprises and the concepts of Business Cycles**)

##### **Types of Business Organization and Business Cycles:**

Features and Evaluation of Sole Trader – Partnership – Joint Stock Company – State/Public Enterprises and their forms – Business Cycles – Meaning and Features – Phases of Business Cycle.

(\*\*One should equipped with the knowledge of different Business Units)

#### **Unit – V:**

(\***The Learning objective of this Unit is to understand the different Accounting Systems preparation of Financial Statements and uses of different tools for performance evaluation**)

##### **Introduction to Accounting & Financing Analysis:**

Introduction to Double Entry Systems – Preparation of Financial Statements-Analysis and Interpretation of Financial Statements-Ratio Analysis – Preparation of Funds flow cash flow statements (Simple Problems)

(\*\*The Learner is able to prepare Financial Statements and the usage of various Accounting tools for Analysis)

#### **Unit – VI:**

(\*The Learning objective of this Unit is to understand the concept of Capital, Capitalization, Capital Budgeting and to know the techniques used to evaluate Capital Budgeting proposals by using different methods)

**Capital and Capital Budgeting:** Capital Budgeting: Meaning of Capital-Capitalization-Meaning of Capital Budgeting-Need for Capital Budgeting-Techniques of Capital Budgeting-Traditional and Modern Methods.

(\*\*The Learner is able to evaluate various investment project proposals with the help of capital budgeting techniques for decision making)

Note: \*Learning Objective

\*\* Learning Assessment

#### **TEXT BOOKS**

1. Dr. N. Appa Rao, Dr. P. Vijay Kumar: ‘Managerial Economics and Financial Analysis’, Cengage Publications, New Delhi – 2011.

2. Dr. A. R. Aryasri – Managerial Economics and Financial Analysis, TMH 2011.
3. Prof. J.V.Prabhakara Rao, Prof. P. Venkatarao. ‘Managerial Economics and Financial Analysis’, Ravindra Publication.

**REFERENCES:**

1. V. Maheswari : Managerial Economics, Sultan Chand.
2. Suma Damodaran : Managerial Economics, Oxford 2011.
3. Dr. B. Kuberudu and Dr. T. V. Ramana : Managerial Economics & Financial Analysis, Himalaya Publishing House 2011.
4. Vanitha Agarwal : Managerial Economics, Pearson Publications 2011.
5. Sanjay Dhameja : Financial Accounting for Managers, Pearson.
6. Maheswari : Financial Accounting, Vikas Publications.
7. S. A. Siddiqui & A. S. Siddiqui : Managerial Economics and Financial Analysis, New Age International Publishers, 2012.