

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY KAKINADA KAKINADA – 533 003, Andhra Pradesh, India DEPARTMENT OF ELECTRICAL AND ELECTRONICS ENGINEERING

| II Year II Semester | | L | T | P | C |
|---|--|---|---|---|---|
| | | 3 | 0 | 0 | 3 |
| MANAGERIAL ECONOMICS & FINANCIAL ANALYSIS | | | | | |

Course Objectives:

- The Learning objectives of this paper are to understand the concept and nature of Managerial Economics and its relationship with other disciplines and also to understand the Concept of Demand and Demand forecasting.
- To familiarize about the Production function, Input Output relationship, Cost-Output relationship and Cost-Volume-Profit Analysis.
- To understand the nature of markets, Methods of Pricing in the different market structures and to know the different forms of Business organization and the concept of Business Cycles.
- To learn different Accounting Systems, preparation of Financial Statement and uses of different tools for performance evaluation.
- Finally, it is also to understand the concept of Capital, Capital Budgeting and the techniques used to evaluate Capital Budgeting proposals.

Unit-I

Introduction to Managerial Economics and demand Analysis:

Definition of Managerial Economics –Scope of Managerial Economics and its relationship with other subjects –Concept of Demand, Types of Demand, Determinants of Demand-Demand schedule, Demand curve, Law of Demand and its limitations- Elasticity of Demand, Types of Elasticity of Demand and Measurement- Demand forecasting and Methods of forecasting, Concept of Supply and Law of Supply.

Unit – II:

Theories of Production and Cost Analyses:

Theories of Production function- Law of Variable Proportions-Isoquants and Isocosts and choice of least cost factor combination-Concepts of Returns to scale and Economies of scale-Different cost concepts: opportunity costs, explicit and implicit costs-Fixed costs, Variable Costs and Total costs –Cost –Volume-Profit Analysis-Determination of Breakeven point(problems)-Managerial significance and limitations of Breakeven point.

Unit – III:

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

Market Structures: Perfect Competition, Monopoly, Monopolistic competition and Oligopoly – Features – Price and Output Determination – Managerial Theories of firm: Marris and Williamson's models – other Methods of Pricing: Average cost pricing, Limit Pricing, Market Skimming Pricing, Internet Pricing: (Flat Rate Pricing, Usage sensitive pricing) and Priority Pricing, Business Cycles: Meaning and Features – Phases of a Business Cycle. Features and Evaluation of Sole Trader, Partnership, Joint Stock Company – State/Public Enterprises and their forms.

Unit – IV:

Introduction to Accounting & Financing Analysis:

Introduction to Double Entry System, Journal, Ledger, Trail Balance and Preparation of Final Accounts with adjustments – Preparation of Financial Statements-Analysis and Interpretation of Financial Statements-Ratio Analysis – Preparation of Funds flow and cash flow analysis (Problems)



JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY KAKINADA KAKINADA – 533 003, Andhra Pradesh, India DEPARTMENT OF ELECTRICAL AND ELECTRONICS ENGINEERING

Unit – V:

Capital and Capital Budgeting: Capital Budgeting: Meaning of Capital-Capitalization-Meaning of Capital Budgeting-Time value of money- Methods of appraising Project profitability: Traditional Methods (payback period, accounting rate of return) and modern methods (Discounted cash flow method, Net Present Value method, Internal Rate of Return Method and Profitability Index)

Course Outcomes:

- The Learner is equipped with the knowledge of estimating the Demand and demand elasticities for a product.
- The knowledge of understanding of the Input-Output-Cost relationships and estimation of the least cost combination of inputs.
- The pupil is also ready to understand the nature of different markets and Price Output determination under various market conditions and also to have the knowledge of different Business Units.
- The Learner is able to prepare Financial Statements and the usage of various Accounting tools for Analysis.
- The Learner can able to evaluate various investment project proposals with the help of capital budgeting techniques for decision making.

Text Books:

1. Managerial Economics and Financial Analysis by A R Aryasri, McGraw – Hill, 3rdedition.

References Books:

- 1. Managerial Economics by Varshney R.L, K.L Maheswari, S. Chand & Company Ltd,
- 2. Managerial Economics, JL Pappas and EF Brigham, Holt, R & W; New edition.
- 3. Accounting for Management, N.P Srinivasn and M. Sakthivel Murugan, S. Chand & Company Ltd, 1st edition, 2011.
- 4. An Introduction to Accountancy by Maheswari S.N, Vikas Publishing House Pvt Ltd, 12th edition, 2018.
- 5. Financial Management by I.M Pandey, Vikas Publishing House Pvt Ltd, 9th edition, 2009.
- 6. Managerial Economics by V. Maheswari, S. Chand & Company Ltd, 2002.