**GUJARAT UNIVERSITY SYLLABUS FOR S.Y BBA SEMESTER IV**

# CORE COURSE – 212 MANAGERIAL ECONOMICS – II

## Objectives:

The main objective is to develop decision making capacity in students. Managerial Economics can be viewed as an application of that part of micro economics that focuses on topics like demand, production, cost, pricing and market structure. Understanding these principle will help to develop a rational decision making. Managerial Economics sharpens the analytical framework that the executive must bring to bear on managerial decisions. In general Managerial Economics will help managers to ensure that resources are allocated efficiently within the firm and that the firm makes appropriate reaction to changes in the Economic Environment.

## Total Hours : 40 Number of credits: 3

**Lectures per week: 3 of one hour each**

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| **Unit** | **Weightage** |
| **Unit-I** | **25%** |
| **Unit-II** | **25%** |
| **Unit-III** | **25%** |
| **Unit-IV** | **25%** |
| **Total** | **100%** |

**Unit 1: (10 hours)**

**CHAPTER 1 : PERFECT COMPETITION AND MONOPOLY**

* 1. Meaning and Characteristics of Perfect Competition.
  2. AR, MR and Elasticity under Perfect Competition.
  3. Short run equilibrium of the firm under PC
  4. Long run equilibrium of the firm under PC.
  5. Meaning and Characteristics of Monopoly.
  6. AR, MR and Elasticity under Monopoly.
  7. Short run Equilibrium under Monopoly.
  8. Long run equilibrium under Monopoly.

**Unit 2: (10 hours)**

**CHAPTER 2 : DISCRIMINATORY MONOPOLY**

1. When Price Discrimination is Possible, Profitable and Socially desirable

with diagram.

1. Equilibrium of price discriminating monopolist.
2. Dumping Case under Monopoly

## CHAPTER 3 : MONOPOLISTIC COMPETITION

1. Meaning and Characteristics of Monopolistic Competition.
2. AR, MR and Elasticity under Monopolistic Competition.
3. Short run equilibrium under Monopolistic competition.
4. Long run equilibrium under Monopolistic competition.
5. Excess capacity and monopolistic competition

**Unit 3: (10 hours)**

**CHAPTER 4 : OLIGOPOLY**

1. Meaning and characteristics of Oligopoly.

## Collusive Oligopoly

* 1. Cartels (Joint Profit Maximization Cartels and Market Sharing Cartels)
  2. Price leadership. (Low cost price leadership, barometric price leadership and dominant price leadership)

## Non collusive Oligopoly

* 1. Kinky Demand Curves
  2. Cournot’s Model

**Unit 4: (10 hours)**

**CHAPTER 5 : BREAK- EVEN ANALYSIS**

1. Assumption
2. Chart and formula method of calculating Break-even Analysis
3. Numerical.

## CHAPTER 6 : PRICING POLICY

1. Objectives
2. Different Methods of Pricing

**Text Books : Managerial Economics** By D.M.Mithani

**Books for Reference**: (1) Managerial Economics By P. L. Mehta.

(2) Micro Economic Theory By H.L. Ahuja.

## Topics for Assignment:

1. Features of Market
2. Collusive Oligopoly
3. Pricing Methods
4. Break Even Analysis

## Topics for Seminar:

* 1. Dumping
  2. Excess Capacity
  3. Non- collusive oligopoly
  4. Factors affecting pricing