

CC II Managerial Economics

Unit 1.

Nature and scope- Demand forecasting – Distinctive types of elasticity – forecasting demand for new products- Forecasting methods.

Unit 2.

Production function- internal and external economics of scale – Production cost analysis - Laws of return.

Unit 3.

Pricing – transfer pricing - full cost pricing – odd number pricing - peak load pricing – Limit price discounts – Pricing of multi- Product firm. Price discrimination – sticky prices – Going rate pricing - customary pricing – Makeup, Make-down Pricing.

Unit 4.

Capital Budgeting – the Process of Planning and forecasting. – Cash flows- cost of capital Profit Policy – Profit measurement –

Unit 5.

International Business environment - macroeconomic environment for business- Liberalization and Globalization - WTO and small business.

References

- 1) Baumol William, J., *Economic Theory and Operations Analysis*, Prentice Hall, London, 1996
- 2) Baya, Michael, R. *Managerial Economics and Business Strategy*, McGraw Hill, Inc., New York.
- 3) Salvatore, Dommick, *Managerial Economics in a Global Economy*, Mc Graw Hill, Inc, New York.
- 4) *Varshney R.L., and K.L. Maheswari*, Managerial Economics, Sultan Chand and Sons, New Delhi