

UNIVERSITY OF SARGODHA
NOON BUSINESS SCHOOL

COURSE OUTLINE

SPRING 2020

Course Title: MANAGERIAL ECONOMICS

Course Code: BUSC: 6211 (M.Com Semester 2nd Reg.)

Credit Hours: 03

Instructor: FALAK SHER

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DESCRIPTION & OBJECTIVES

This course focuses on the application of economic models and rationale choice to business decision making. Topics include an overview of managerial economics; demand and supply; costs of production and the organization of the firm; market structure and pricing and output decisions; game theory and pricing strategies; and the economics of information and the role of government in the marketplace. The course consist fundamental principles of microeconomics most relevant to managers. Topics include costs, demand, pricing, market structure, market equilibrium, and strategic interaction. The course focuses on: (i) profit maximization by firms; and (ii) market equilibrium in different competitive settings. The course should enhance your understanding of how markets operate and develop your capability in making economic predictions about market outcomes. It should also serve as a foundation for your further studies in management, accounting, finance, and marketing. While the material is not too advanced, we move fairly quickly as is appropriate for master's studies.

READINGS

Recommended Books:

Webster, T.J. (2003) Managerial Economics: Theory and Practice /Thomas J. Webster

Week No.	Topics to be Discussed
1-2	Introduction, Opportunity Cost, Theories and Models. Mathematical Economics. Linear Equations, Graphs, progression
3-4	Market. Law of supply. Derivatives, implicit differentiation, average and marginal relationships, partial derivatives, optimization
5-6	Market mechanism, rationing, price ceiling and flooring, elasticity of demand, types. decision making
7-8	Role of firm, production functioning, short and long run cost of production, economies of scale. ATC and MC. Multiproduct cost function
9	Mid Term Exam
10-11	Law of Diminishing MU. Unconstrained optimization. Market structure. Equilibrium under monopoly and perfect competition.
12-13	Law of Diminishing MU. Unconstrained optimization. Market structure. Equilibrium under monopoly and perfect competition.
14-15	Price discrimination. Multi-product pricing. Capital budgeting. Time value. Capital rationing. cost of capital
16-17	Risk and uncertainty. Measuring risk. Game trees. Decision making under uncertainty. Insurance.
18	Final Term Exam

