

UNIVERSITY OF SARGODHA
NOON BUSINESS SCHOOL

COURSE OUTLINE

FALL 2020

Course Title: MANAGERIAL ECONOMICS

Course Code: BCH-301 (B.COM V {REG & SS})

Credit Hours: 03

Instructor: AQSA HUSSAIN

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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.

Week No.	Topics to be Discussed
1-2	Managerial Economics, Economic Theory, Decision Making Process Introduction, Opportunity Cost, Theories and Models. Mathematical Economics. Market Demand, Demand Determinants, Supply Determinants, Market Equilibrium, Excess Demand, Excess Supply.
3-4	Price Ceiling, Shortage, Price Floor, Surplus, Linear Equations, Graphs, progression. Market Mechanism, Rationing, Market Demand Curve. Elasticity of demand, Price, Income and Cross Elasticity. Relationship between Elasticity and Total Revenue
5-6	Derivatives, Implicit Differentiation, Average And Marginal Relationships, Partial Derivatives, Optimization First Order Condition, Constraint Optimization.

7-8	Theory of Firm, Mathematical Economics, Functional Relationship Role Of Firm, Production Functioning, Short And Long Run Cost Of Production. ATC And MC.
9	Mid Term Exam
10-11	Stages of Production. Isoquant, Economies of Scale. Multiproduct Cost Function. Profit Maximization. Optimal Input Combination, Unconstrained Optimization. Total Revenue Maximization,
12-13	Law of Diminishing MU. Market structure. Equilibrium under Monopoly and Perfect Competition. Monopolistic Competition, Short Run Monopolistic Equilibrium. Duopoly and Oligopoly
14-15	Price Discrimination. Multi-Product Pricing. Capital Budgeting. Time Value. Capital Rationing. Cost Of Capital. Game Theory
16-17	Risk And Uncertainty. Measuring Risk. Game Trees. Decision Making Under Uncertainty. Insurance.
18	Final Term Exam

READINGS

Recommended Books:

Managerial Economics by Dominick Salvatore 7th Edition

Managerial Economics by Mark Hirschey

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