



JAIPURIA INSTITUTE OF MANAGEMENT
PGDM; TRIMESTER I; ACADEMIC YEAR 2018-19

Course Code and title	ECO 101: Managerial Economics
Credits	3
Term and Year	I Term, 2018 -19
Course Pre-requisite(s)	N/A
Course Requirement(s)	Basic Mathematics
Course Schedule (day and time of class)	As per time table
Classroom # (Location)	As per time table
Course Instructor	Dr. Ritika Gugnani/ Dr. Vranda Jain
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Student Consultation Hours	
Office location	Dr. Ritika Gugnani- CF 5 (First Floor) Dr. Vranda Jain- CS 14 (second Floor)

1. Course Overview

Managerial Economics deals with the application of microeconomics to the practical problems of businesses/firms in order to facilitate rational managerial decisions and possible solutions of managerial problems. It integrates economic theory with business practice for the purpose of facilitating planning and decision-making.

This is a pre-management course and it serves as a necessary foundation for understanding management courses. It has pre-linkage with ability to handle data and elementary knowledge of calculus. Students with prior study of microeconomics will find great sense of comfort while undergoing this course.

This course will deal with areas such as demand analysis and estimation, production and cost analysis, price and output determination in competitive and imperfect markets. It will also take through scenario that will make students understand marketing, sales, and production courses at later stage. This course will provide fundamental premises for taking advertisement cost decision, sales decision, and optimum production decision. Managerial Economics will have great deal of bearing on courses of Marketing Management, Consumer Behavior, Strategic Management and Entrepreneurship

2. Course Learning Outcomes (CLO)

At the end of the course, the students should be able to:

CLO 1: Explain the basic terminologies of Managerial Economics (**K**)

CLO2: Apply the concepts and theories of Managerial Economics for business decision making (**K**)

CLO 3: Analyze business practices with respect to nature of products and the structure of the markets (**K-S**)

3. Mapping CLO with PLOs

	PLO1	PLO2	PLO3	PLO4	PLO5.	PLO6	PLO7	PLO8
CLO1			x					
CLO2			x					
CLO3			x					x

4. Mapping of CLOs with GAs

	GA 1	GA 2	GA 3	GA 4	GA 5	GA 6	GA 7	GA 8
CLO 1								
CLO 2			x					
CLO 3			x					

5. Text Book

Thomas and Maurice (2014). Managerial Economics: Foundations of Business Analysis and Strategy, 10th Edition, McGraw Hill Education, New Delhi

Additional Resources:

Additional useful references:

1. Dwivedi, D N. (2015). Managerial Economics, 18th Edn. New Delhi: Vikas Publishing House
2. Sloman, J. and Sutcliffe, M. (2013: 2006). Economics for Business, 3rd edn. New Delhi: Pearson Education Ltd.
3. Samuelson, W. F. & Marks, S. G. (2014). Managerial Economics, 6th Edn. New Delhi; Wiley India Pvt Ltd.
4. Koutsoyiannis (1988:2011) : Modern Micro Economics. USA: Nick Book House
5. Samuelson, P. A. and Nordhaus, W. D. (1998). Economics. New Delhi: Tata McGraw-Hill.
6. Internet Resources (as advised by the faculty during classroom sessions)

6. Assessment Tasks

Assessment Task	Description	Weightage	CLO
1. Written Assignments (Two)	LMS (Written) 5th and 10th Week	20%	2
2. Group Project	Group Research & Report Submission 11th Week	20%	3
3. Quiz	Class Activity/ LMS	20%	1

4. End Term Hall Examination	Hall Exam Week 12	40%	2,3
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Assessment criteria set out the details by which performance in each task will be judged. This information will give a clear and explicit understanding of the expected standards to be achieved relative to the marks awarded.

Assessment Task 1: Written Assignments (20%)

1) Assessment Details:

Based on the content delivered in the class written assignments will be assigned to the class. These assignments can be used for testing concepts and problem solving skills of the students. The course instructor will declare assignments on LMS. The course Instructor can ask the submission of Class assignment in the class itself. The Assignments will be closed by 5th and 10th weeks. Each assessment will be done in 10 marks (total 20 marks)

- 2) Task Assessor: Course Instructor
- 3) Suggested time to devote to this task: 5th and 10th weeks
- 4) Submission details: online/ hard copy
- 5) Feedback and return of work: Concurrently

Assessment Task 2: Group Project (20%)

1) Assessment Details: For this group project, you are required to select and examine one businesses for which you have a contact person whom you can interview. To answer some of the questions below, you will need to ask your contact person. To answer some of the other questions, you will need to combine your interviewees' responses with your knowledge from the course. After answering questions 1 to 9 for each business, answer questions 10 and 11. Use an essay format for the written paper. Do NOT use an exam format with just question numbers followed by answer phrases. The paper must be typed double-spaced, using a 12-point font and 1-inch margins. Be sure that you have clearly answered all parts of all questions. Both content and writing style are important in this assignment. Proofread your work and pay careful attention to spelling, punctuation, and sentence structure. The group is also required to make a presentation to the course instructor (as per the instructions) and submit a hard copy of the report.

1. a. What is the name of the business and what product(s) or service(s) does it provide?
- b. Who is the owner of the business (an individual, a family, partners, stockholders, etc.)?
- c. What is the name of the person whom you interviewed, his/her title or position in the company, and your group's connection with him/her (for example: group member John Smith's father)?
2. a. What inputs does the company use to produce its product or service? (While your companies' input usage may differ from that discussed in class, a review of your course notes on fixed and variable inputs may be helpful here.)
- b. Which of the company's inputs are variable inputs? In other words, suppose the company wanted to produce more or less than it had been. For which inputs could the quantity used was easy to change in a relatively short amount of time, such as a month?
- c. Which of the company's inputs are fixed inputs? That is, for which inputs, can the quantity used not be changed in a relatively short amount of time?
3. What is the business' largest expense per month? (Be specific; "operations" and "sales and administration" are not satisfactory answers.)
4. How many employees does the company have?
5. a. Suppose the company increased the price of its product/service (or one of its products/services if there are more than one) by about 10%. Would the quantity purchased be expected to fall by about 10%, more than 10%, or less than 10%? (Ask your interviewee this part (5a), and then use your course notes on elasticity to answer parts 5b and 5c below.)

- b. What does your answer to part 5(a) imply about the elasticity of demand for the company's product/service? That is, is the demand for the company's product/service elastic, inelastic, or unit elastic?
- c. What do your answers to 5a and b imply about what would happen to the total revenue from sales of the product/service? That is, would it increase, decrease, or remain the same? Explain.
6. With whom does the company compete? Be specific.
7. Does the company's product/service differ from that of its competitors and, if so, how?
8. Would this business be best described as a perfect competitor, a monopolistic competitor, an oligopolistic, or a monopolist? Explain.
9. a. What does the company do well?
b. What does the company not do well? (Even in well-run organizations, there is room for improvement.)
10. a. How are your two businesses similar?
b. How are your two businesses different?
11. What did you learn from this project (economics-related or otherwise)?

Criteria used to grade this task:

- 1) Criteria used to evaluate this task is given in detail under the heading of Rubrics of assessment Task. (Question 6,7,8,9,10 Part of AOL)
- 2) Task Assessor: Internal Faculty
- 3) Suggested time to devote to this task: 11th week
- 4) Submission details: Neatly type-set, hard copy submission/ moodle submission
- 5) Feedback and return of work: Depends on requests by students

Assessment Task 3: Quiz (20%)

- 1) Assessment Details: Multiple Choice Questions or Scenario based Questions to check the conceptual clarity of the terminologies .The Quiz can be surprise or with prior information. The quiz can be conducted in the class or on LMS system
- 2) Task Assessor: Internal Faculty
- 4) Suggested time to devote to this task: Concurrent
- 5) Submission details: No submission of documents
- 6) Feedback and return of work: On the spot

Assessment Task 4: End Term (40%)

- 1) Assessment Details:
Questions based on the course content will be posed to the students to give adequate responses with suitable illustrations and examples.
- 2) Task Assessor: Internal faculty and External Examiner question paper setter
- 3) Suggested time to devote to this task: End of term
- 4) Submission details: online LAB based
- 6) Feedback and return of work: Answer scripts will be made available on e-portal

7. Session Plan

Session	Topic/ Sub Topic	Reading Reference	Pedagogy	Session Learning Outcomes	CLO
Module I: Understanding the Marketing function					
1.	Managerial Economics – Introduction	Chapter 1	Video, (scarcity, opportunity cost), Class discussion, Application of	At the end of the session, the student will be able to describe the significance of relative scarcity, choice	1, 2

	(Definition; Nature; Scope; Wants; Limited resources and Choice)		Opportunity cost in real life and business	making and opportunity cost thereof.	
2.	Managerial Economics – Introduction (Nature and functions of profit)	Chapter 1	Class discussion	At the end of the session, the student will be able to identify the role of profit in business setting.	1, 2
3.	Demand and Supply (Demand; Factors underlying demand)	Chapter 2	Class discussion, worksheet	At the end of the session, the student will be able to explain various factors influencing the demand for a product.	1, 2
4.	Demand and Supply (Elasticity of demand and business decisions)	Chapter 6	Video, class discussion, worksheet	At the end of the session, the student will be able to measure and predict the change in demand due to change in price of the product, consumer income, price of substitutes/complements, and advertisement expenditure	1,2
5.	Demand and Supply (Supply; Factors underlying supply; Market equilibrium and disequilibrium)	Chapter 2	Class discussion, worksheet	At the end of the session, the student will be able to identify the relevance of understanding determinants of supply and market equilibrium	1,2
6.	Demand and Supply (Demand forecasting)	Chapter 7	Class discussion, spreadsheet application	At the end of the session, the student will be able to project the market demand for a product.	2
7.	Review and Exercises – I (based on session 1-6)	Chapter 1, 2, 6 and 7	Exercises	At the end of the session, the student will be able to apply the concepts and tools learnt in session 1-6.	
Module II: Production and Cost Analysis					

8	Production and Cost Analysis (Production and cost in the short run)	Chapter 8	Class discussion, Video	At the end of the session, the student will be able to explain the production and cost behavior when at least one factor of production is fixed.	1,2
9	Production and Cost Analysis (Production and cost in the long run)	Chapter 9	Class discussion	At the end of the session, the student will be able to explain the production and cost behavior when all the factors of production are variable.	2
10	Production and Cost Analysis (Laws of returns and laws of returns to scale)	Chapter 8 and 9	Class discussion, worksheet	At the end of the session, the student will be able to predict the behavior of production resulting from changes in variable factor and changes in scale of operation	1,2
11	Production and Cost Analysis (Break-even analysis; Economies of Scale and scope; Externalities)	Chapter 8 and 9	Class discussion, worksheet, Case discussion	At the end of the session, the student will be able to identify break-even output/price and scope of vertical and horizontal business expansion; and to identify measures for controlling negative externalities and promoting positive externalities.	1,2
12	Review and Exercises – II (based on session 8-11)	Chapter 8 and 9	Class discussion, exercises	At the end of the session, the student will be able to apply the concepts and tools learnt in session 8-11.	
Module III : Market Structure and Pricing Practices					
13	Market Structure and Pricing Practices	Chapter 11	Class discussion	At the end of the session, the student will be able to describe	1, 2, 3

	(Perfect Competition)			the business decisions without market power.	
14.	Market Structure and Pricing Practices (Monopoly)	Chapter 11	Class discussion, Case (Bt Cotton Monoploy)	At the end of the session, the student will be able to explain the business decisions with highest degree of market power.	1, 2, 3
15.	Market Structure and Pricing Practices (Monopolistic Competition)	Chapter 12	Class discussion,	At the end of the session, the student will be able to identify the business decisions with highest degree of market power.	1, 2, 3
16.	Market Structure and Pricing Practices (Oligopoly)	Chapter 13	Class discussion, Case discussion	At the end of the session, the student will be able to decide the appropriate and effective tools of competition in oligopolistic market situation	1, 2,3
17.	Market Structure and Pricing Practices (Price Discrimination)	Chapter 14	Class discussion, Case discussion	At the end of the session, the student will be able to design discriminatory pricing strategy for maximization of profit.	1, 2, 3
18.	Market Structure and Pricing Practices (Other pricing practices)	Chapter 14	Class discussion,	At the end of the session, the student will be able to describe various pricing strategies such as cost-plus pricing, peak-load pricing, etc.	1,2, 3
19.	Review and Exercises – III (based on session 13-18)	Chapter 11, 12, and 14	Class discussion and exercises	At the end of the session, the student will be able to apply the concepts and tools learnt in session 13-18.	
Module IV: Managerial Theories of Firm					
20.	Managerial Theories of Firm (Sales Revenue Maximization)	Handout	Class discussion and worksheet	At the end of the session, the student will be able to describe sales revenue maximization objective.	2
21	Managerial Theories of Firm	Chapter 13	Class discussion	At the end of the session, the student	2

	(Game Theory and Competitive strategy – When rivals make simultaneous decisions)			will be able to take business decisions knowing fully the rival firm's action.	
22.	Managerial Theories of Firm (Game Theory and Competitive strategy – When rivals make sequential decisions)	Chapter 13	Class discussion	At the end of the session, the student will be able to take business decisions knowing fully the rival firm's action.	2
23.	Managerial Theories of Firm (Game Theory and Competitive strategy – Cooperation in Repeated Strategic Decisions;	Chapter 13		At the end of the session, the student will be able to identify measures to reduce competition with rival firms without compromising on profit making.	2
24.	Session wind up, Feedback and Learning Integration; Tutorial as per announcement				

8. Student Responsibility

It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document.

It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

It is advisable that student maintains a separate Note Book for this course which can be used for keeping class notes, library notes, and notes of other readings. It is important to develop the habit of writing notes of classroom discussions and any readings that the students come across.

9. Time budgeting in course planning:

The table below is an example of the suggested time allocations for this course.

Classes	2-3 hours per week for 12 weeks	30 hours
Reading	Prescribed readings and making notes	30 hours
Preparation of set questions, exercises and problems	Including shared and group exercises	15 hours
Preparation of assignment	Reading and writing	15 hours
Study and revision for test and end of Trimester examination	Self-preparations	15 hours
TOTAL		105 hours

10. Rubrics for Assessment Tasks:

Rubrics for Written Assignment (10 Marks)

Poor Points 0-2	Fair Points 3-5	Good Points 6-8	Excellent Points 9 – 10
UNSATISFACTORY	MINIMAL	PROFICIENT	EXEMPLARY
Content indicates some thinking and reasoning but most ideas are underdeveloped. Main points lack detailed development. Ideas are vague with little evidence of critical thinking.	Content indicates thinking and reasoning applied with original thought on a few ideas. Main points are present with limited detail and development. Some critical thinking is present.	Content indicates original thinking and develops ideas with sufficient and firm evidence. Main points well developed with quality supporting details and quantity. Critical thinking is weaved into points	Content indicates synthesis of ideas, in-depth analysis and evidences original thought and support for the topic. Main points well developed with high quality and quantity support. Reveals high degree of critical thinking.

Rubrics for Group Project

Criteria	Level 1 Not Yet Complete (0-9 Marks)	Level 2 Competent (Marks 10-15)	Level 3 Excellent (Marks 16-20)
Content (5 M)	The deliverable did not demonstrate knowledge of the course content, evidence of the research effort or depth of thinking about the topic assigned. The work was a brief look at the topic but many questions were left unanswered. Majority of information irrelevant and significant points left out.	The deliverable demonstrated knowledge of the course content by integrating major concepts into the response. The deliverable also demonstrated evidence of limited research effort and/or initial of	The deliverable demonstrated knowledge of the course content by integrating major and minor concepts into the response. The deliverable also demonstrated evidence of extensive research effort and a depth

		<p>thinking about the topic.</p> <p>The work was a good summary of the topic assigned. Most important information covered; little irrelevant info.</p>	<p>of thinking about the topic.</p> <p>The work was a good summary of the topic assigned. Most important information covered; little irrelevant info.</p>
Composition and Organizing (5M)	<p>The deliverable lacked overall organization. The reader had to make considerable effort to understand the underlying logic and flow of ideas. Diagrams were absent or inconsistent with the text. Grammatical and spelling errors made it difficult for the reader to interpret the text in places.</p>	<p>The deliverable was organized and clearly written for the most part. In some areas the logic and/or flow of ideas were difficult to follow. Words were well chosen with some minor expectations. Diagrams were consistent with the text. Sentences were mostly grammatical and/or only a few spelling errors were present but they did not hinder the reader.</p>	<p>The deliverable was well organized and clearly written. The underlying logic was clearly articulated and easy to follow. Words were chosen that precisely expressed the intended meaning and supported reader comprehension. Diagrams or analyses enhanced and clarified presentation of ideas. Sentences were grammatical and free from errors.</p>
Supporting Material(2M)	<p>Insufficient information was obtained and/or sources lack validity. Analysis and design considerations were not supported by the information collected</p>	<p>Sufficient information was obtained and most sources were valid. Analysis and design considerations were mostly supported by the information.</p>	<p>All relevant information was obtained and information sources were valid. Analysis and design considerations were well supported by the information.</p>

Team work(5M)	<ol style="list-style-type: none"> 1. The project was carried out by one or two members 2. Leadership role being assumed by each member for different tasks is NOT apparent 3. scheduled meetings minutes are not usually recorded and the contribution of each team members are not identified and stated in the report 	<p>The project was carried out by more than four members</p> <ol style="list-style-type: none"> 1. Leadership role being assumed by three -four member for different tasks is apparent. 2. Few Scheduled meetings minutes are recorded .Efforts are decently coordinated 	<ol style="list-style-type: none"> 1. The project was carried out by all members 2. The work load and variety on each member does not seem to be fair or at least one member has been assigned trivial non-technical tasks (e.g. writing the report) 3. Scheduled meetings minutes recorded properly. The efforts are well coordinated and stated clearly in the report
Question and Answers (By Course Instructors/ Audience) 3M	Questions and clarifications sought by Instructor and Audiences were not answered in satisfactory manner.	Questions and clarifications sought by Instructor and Audiences were answered in satisfactory manner.	Questions and clarifications sought by Instructor and Audiences were answered in an excellent manner.

Rubrics for End Term – I (CLO 2) (30 Marks)

In the following categorization of marks, the upper limit is not included in the interval.

Description	Unsatisfactory	Minimal	Proficient	Exemplary
	Scores: Up till 10 Marks	Between 10 – 15 Marks	Between 15 – 24 Marks	24 and Above Marks

Application of Concepts for Business Decision Making	Student failed to apply most of the concepts.	Student could relate the concepts with applications to a certain extent, but critical thinking is missing.	Most of the concepts are clear and student could fairly relate them with business decision making.	Almost all concepts are clear and very well applied for business decision making.
Rubrics for End Term – I (CLO 3) (10 Marks)				
In the following categorization of marks, the upper limit is not included in the interval.				
Description	Unsatisfactory	Minimal	Proficient	Exemplary
	Scores: Up till 3 Marks	Between 3 – 5 Marks	Between 5 – 8 Marks	8 and Above Marks
Analyze business practices with respect to nature of products and the structure of the markets	Student failed to relate the business practices as per the given industry and market situation	Student could relate well the business practices as per the given industry and market situation but sufficient explanation is missing.	Student could very well identify the business practices to meet the given industry and market conditions and could present sufficient arguments to support the same.	Student could use his analytical skills to present sufficient arguments relate business practices in given market situation.

Rubrics for Quiz (10 marks each)

Poor	Fair	Good	Excellent
Points 0-3.499	Points 3.5-5.999	Points 6-7.999	Points 8 – 10
Most of the concepts are not clear and student is unable to understand the same.	Many of the concepts are clear and understood by student.	Majority of concepts are clear and understood by student.	Most of concepts are clear and understood by the student.

11. Institute's Policy Statements

It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document. It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises

and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

12. LMS-Moodle/Impartus:

LMS-Moodle/Impartus is used to host course resources for all courses. Students can download lecture, additional reading materials, and tutorial notes to support class participation.

13. Submission

Assessment tasks submitted after the due date, without prior approval/arrangement, will be not be accepted. Requests for extension of time must be made with the faculty member concerned and based on Special Consideration guidelines.

14. Plagiarism:

Plagiarism is looked at as the presentation of the expressed thought or work of another person as though it is one's own without properly acknowledging that person.

Cases of plagiarism will be dealt with according to Plagiarism Policy of the institute. It is advisable that students should read Student Handbook for detailed guidelines. It is also advisable that students must not allow other students to copy their work and must take care to safeguard against this happening. In cases of copying, normally all students involved will be penalized equally; an exception will be if the student can demonstrate the work is their own and they took reasonable care to safeguard against copying.

List of PLOs

- PLO1: Communicate effectively and display inter-personnel skills
- PLO2: Demonstrate Leadership and Teamwork towards achievement of organizational goals
- PLO 3: Apply relevant conceptual frameworks for effective decision-making
- PLO 4: Develop an entrepreneurial mindset for optimal business solutions
- PLO 5: Evaluate the relationship between business environment and organizations
- PLO 6: Demonstrate sustainable and ethical business practices
- PLO 7: Leverage technologies for business decisions
- PLO 8: Demonstrate capability as an Independent learner

List of GAs

- GA 1: Self-initiative
- GA 2: Deep discipline knowledge
- GA 3: Critical thinking and Problem solving
- GA 4: Humility, Team-Building and Leadership Skills
- GA 5: Open and Clear Communication
- GA 6: Global outlook
- GA 7: Ethical competency and sustainable mindset
- GA 8: Entrepreneurial and innovative