**20MC2102-Managerial Economics and Financial Accounting**

**(Common to EEE & ECE)**

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| Course Category: | Humanities | Credits | 0 |
| Course Type: | Theory | Lecture-Tutorial-Practical: | 2-0-0 |
| Pre-requisite: | Nil | Sessional Evaluation:  External Evaluation:  Total Marks: | 40  60  100 |

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| Course  Objectives | Students undergoing this course are expected to understand: | |
| 1. The concept and nature of Managerial Economics and its relationship with other disciplines and also to understand the Concept of Demand and Demand forecasting, Production function, Input Output relationship, Cost-Output relationship and Cost-Volume-Profit Analysis. 2. The nature of markets, methods of Pricing in the different market structures and to know the different forms of Business organization 3. The preparation of Financial Statements and use of Capital Budgeting techniques to evaluate Capital Budgeting proposals. | |
| **Course Outcomes** | Upon successful completion of the course , the students will be able to: | |
| **CO1** | Adopt the Managerial Economic concepts for decision making and forward planning. Also know law of demand and its exceptions, to use different forecasting methods for predicting demand for various products and services. |
| **CO2** | Know the role of various cost concepts in managerial decisions and the managerial uses of production function and to compute breakeven point to illustrate the various uses of breakeven analysis. |
| **CO3** | Understand how to determine price and output decisions under various market structures. |
| **CO4** | Know in brief formalities to be fulfilled to start a business organization. |
| **CO5** | Adopt the principles of accounting to record, classify and summarize various transactions in books of accounts for preparation of final accounts. |
| **CO6** | Apply capital budgeting techniques in evaluating various long term investment opportunities. |
| Course  Content  **Course**  **Content** | **UNIT – I**  **Introduction to Managerial Economics and demand Analysis**: Definition of Managerial Economics –Scope of Managerial Economics and its relationship with other disciplines.  Concept of Demand, Types of Demand, Determinants of Demand- Demand schedule- Demand curve- Law of Demand and its limitations- Elasticity of Demand: Types and significance.  **UNIT – II**  **Production & Cost Analysis**: Production Function- Isoquants and Isocosts- Cobb-Douglas Production function- Law of variable Proportions- Laws of Returns-Internal and External Economies of Scale. Cost Analysis: Cost concepts- Break-even Analysis.  **UNIT – III**  **Theory of Pricing:** Types of competition and Markets- Features of Perfect competition, Monopoly and Monopolistic Competition- Price-Output Determination in case of Perfect Competition and Monopoly. Pricing: Objectives and Policies of Pricing. Methods of Pricing.  **UNIT – IV**  **Types of Business Organizations and Banking System:** Sole proprietorship- partnership - Joint Stock Company – Shares and debentures.  **Banking System**: Central bank- Commercial banks and their functions- Impact of technology in banking sector.  **UNIT – V**  **Financial Accounting:** Accounting principles- Double-Entry system of Accounting- Rules for maintaining Books of Accounts- Journal- Posting to Ledger- Preparation of Trial Balance- Preparation of Final Accounts ( with simple adjustments).  **UNIT-VI**  **Capital and capital budgeting**: Capital and its significance- Types of Capital- Sources of raising capital. Capital Budgeting: features of capital budgeting proposals- Methods of Capital Budgeting: Payback Method, Accounting Rate of Return (ARR) and Net Present Value Method and Internal Rate of Return (IRR) (simple problems). | |
| **Text Books and Reference Books** | **TEXT BOOKS:**   1. Varshney&Maheswari: Managerial Economics, S. Chand Publishers 2. Business Organisations: C.B.Gupta , S.Chand Publishers 3. Managerial Economics and Financial Accounting: A.R.Arya Sri, Tata Mcgraw Hills publishers.   **REFERENCE BOOKS:**   1. Economic Analysis: S.Sankaran, Margham Publications. 2. S.N.Maheswari& S.K. Maheswari, Financial Accounting, Vikas Publishers. 3. S. A. Siddiqui& A. S. Siddiqui, Managerial Economics & Financial Analysis, New age International Space Publications.   4 .M. Sugunatha Reddy: Managerial Economics and Financial Analysis, Research India Publication, New Delhi.   |  |  |  |  | | --- | --- | --- | --- | |  | |  |  | |  |  | |  | |  |  |  |  | |  | |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  |   . | |