23BS22T4 - MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

(Common to CSE and AI&DS)

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| Course Category: | Humanities | Credits: | 2 |
| Course Type: | Theory | Lecture-Tutorial-Practical: | 2-0-0 |
| Prerequisite: | * To familiarize with the importance of Managerial Economics and know its significant. * Role in achieving business objectives and interpret to analyse the financial performance of a business unit. | Sessional Evaluation:  Univ. Exam Evaluation:  Total Marks: | 30  70  100 |
| Objectives: | **Students undergoing this course are expected:** | | |
| * To gain knowledge of microeconomics and financial accounting to learn how   demand is estimated for different products, input- output relationship for  optimizing production and cost   * To learn about Various types of market structure and pricing methods and strategy * To know the significance of capital budgeting and learn how to plan long-term investment decisions. * To gain knowledge on accounting and understand the process of preparing financial statements | | |

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| Course Outcomes | **Upon successful completion of the course, the students will be able to :** | |
| CO1 | Define the concepts related to Managerial Economics, financial accounting and management(L2) |
| CO2 | Understand the fundamentals of Economics viz., Demand, Production, cost, revenue and markets (L2) |
| CO3 | Apply the Concept of Production cost and revenues for effective Business decision (L3) |
| CO4 | Analyze how to invest their capital and maximize returns (L4) |
| CO5 | Develop the accounting statements and evaluate the financial performance of business entity and also Evaluate the capital budgeting techniques. (L5). |
| Course Content | UNIT-I  Managerial Economics: Introduction Nature, meaning, significance, functions, advantages, and relation of ME with other related disciplines. Demand- Concept, Function, Law of Demand – Elasticity of Demand - Types and Measurement. Demand Forecasting- Factors. Governing Forecasting and Methods.  UNIT-II Production and Cost Analysis: Introduction – Nature, meaning and significance, functions and advantages. Production Function– Least- cost combination– Short run and long run Production Function- Iso quants and Iso costs. Cost & Break-Even Analysis - Cost concepts and Cost behavior- Break-Even Analysis (BEA) - Determination of Break-Even Point (Simple Problems). UNIT-III Business Organizations and Markets: Introduction – Forms of Business Organizations- Sole Proprietary - Partnership - Joint Stock Companies - Public Sector Enterprises. Types of Markets - Perfect and Imperfect Competition - Features of Perfect Competition Monopoly- Monopolistic Competition– Oligopoly-Price-Output Determination - Pricing Methods and Strategies UNIT-IV Capital Budgeting: Introduction – Nature, meaning, significance. Types of Working Capital, Components, Sources of Short-term and Long-term Capital, Estimating Working capital requirements. Capital Budgeting– Features, Proposals, Methods and Evaluation. Projects – Pay Back Method, Accounting Rate of Return (ARR) Net Present Value (NPV) Internal Rate of Return (IRR) Method (sample problems). UNIT-V Financial Accounting and Analysis: Introduction – Concepts and Conventions- Double-Entry Bookkeeping, Journal, Ledger, Trial Balance- Final Accounts (Trading Account, Profit and Loss Account and Balance Sheet with simple adjustments). Introduction to Financial Analysis - Analysis and Interpretation of Liquidity Ratios, Activity Ratios, and Capital structure Ratios and Profitability Ratios (Simple Problems). | |
| **Text Books**  **&**  **References**  **Books** | TEXT BOOKS:   1. Varshney & Maheswari: Managerial Economics, Sultan Chand. 2. 2. Aryasri: Business Economics and Financial Analysis, 4/e, MGH.   **REFERENCE BOOKS:**   1. Ahuja Hl Managerial economics Schand. 2. S.A. Siddiqui and A.S. Siddiqui: Managerial Economics and Financial Analysis, New Age International. 3. Joseph G. Nellis and David Parker: Principles of Business Economics, Pearson, 2/e, New Delhi. 4. Domnick Salvatore: Managerial Economics in a Global Economy, Cengage | |
| **E-Resources** | 1. https:/[/www](http://www.slideshare.net/123ps/managerial-economics-ppt).[slideshare.net/123ps/managerial-economics-ppt](http://www.slideshare.net/123ps/managerial-economics-ppt) 2. https:/[/www](http://www.slideshare.net/rossanz/production-and-cost-45827016).[slideshare.net/rossanz/production-and-cost-45827016](http://www.slideshare.net/rossanz/production-and-cost-45827016) 3. https:/[/www](http://www.slideshare.net/darkyla/business-organizations-19917607).[slideshare.net/darkyla/business-organizations-19917607](http://www.slideshare.net/darkyla/business-organizations-19917607) 4. https:/[/www](http://www.slideshare.net/balarajbl/market-and-classification-of-market).[slideshare.net/balarajbl/market-and-classification-of-market](http://www.slideshare.net/balarajbl/market-and-classification-of-market) 5. https:/[/www](http://www.slideshare.net/ruchi101/capital-budgeting-ppt-59565396).[slideshare.net/ruchi101/capital-budgeting-ppt-59565396](http://www.slideshare.net/ruchi101/capital-budgeting-ppt-59565396) | |