**23BS22T4-MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS**

**(Common to EEE,CE,CSE,& AI&DS)**

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| **Course Category:** | Humanities | **Credits:** | 2 |
| **Course Type:** | Theory | **Lecture-Tutorial-Practical:** | 2-0-0 |
| **Pre-requisite:** | NIL | **Sessional Evaluation:**  **External Exam Evaluation:**  **Total Marks:** | 30  70  100 |

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| **Course Objectives** | Students undergoing this course are expected  1.To gain knowledge of microeconomics and financial accounting  2.To learn how demand is estimated for different products, input- output relationship for optimizing production and cost  3.To learn about Various types of market structure and pricing methods and strategy  4. To know the significance of capital budgeting and learn how to plan long-term investment decisions.  5. To gain knowledge on accounting and understand the process of preparing financial statements. | | |
| **Course Outcomes** | Upon successful completion of the course , the students will be able to | | **Blooms level** |
| CO1 | 1. Define the concepts related to Managerial Economics, financial accounting and management | **L L2** |
| CO2 | Understand the fundamentals of Economics viz., Demand, Production, cost, revenue and markets | **L L2** |
| CO3 | Apply the Concept of Production cost and revenues for effective Business decision | **L L3** |
| CO4 | Analyze how to invest their capital and maximize returns | **L L4** |
| CO5 | 5. Develop the accounting statements and evaluate the financial performance of business entity and aslo Evaluate the capital budgeting techniques. | **L 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**P **Production and Cost Analysis:****I** 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 behaviour- Break-Even Analysis (BEA) - Determination of Break-Even Point (Simple Problems).**UNIT - III**B **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**F **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 & Reference Books** | Te **Text books:**  1. Varshney & Maheswari: Managerial Economics, Sultan Chand. 2. Aryasri: Business Economics and Financial Analysis, 4/e, MGH.  R **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:** | H https:/[/www](http://www.slideshare.net/123ps/managerial-economics-ppt).[slideshare.net/123ps/managerial-economics-ppt](http://www.slideshare.net/123ps/managerial-economics-ppt) 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) https:/[/www](http://www.slideshare.net/darkyla/business-organizations-19917607).[slideshare.net/darkyla/business-organizations-19917607](http://www.slideshare.net/darkyla/business-organizations-19917607) 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) 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) https:/[/www](http://www.slideshare.net/ashu1983/financial-accounting).[slideshare.net/ashu1983/financial-accounting](http://www.slideshare.net/ashu1983/financial-accounting) | | |