

IV Year I Semester

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Code: 17HS701

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MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY

Unit I:

Introduction to Managerial Economics and demand Analysis:

Definition of Managerial Economics –Scope of Managerial Economics and its relationship with other subjects – Concept of Demand, Types of Demand, Determinants of Demand- Demand schedule, Demand curve, Law of Demand and its limitations- Elasticity of Demand, Types of Elasticity of Demand and Measurement- Demand forecasting and Methods of forecasting.

Unit II:

Production and Cost Analyses:

Concept of Production function- Cobb-Douglas Production function- Leontief production function - Law of Variable proportions-Isoquants and Isocosts and choice of least cost factor combination-Concepts of Returns to scale and Economies of scale-Different cost concepts: opportunity costs, explicit and implicit costs- Fixed costs, Variable Costs and Total costs –Cost – Volume-Profit analysis-Determination of Breakeven point(simple problems)-Managerial significance and limitations of Breakeven point.

Unit III:

Introduction to Markets, Theories of the Firm & Pricing Policies:

Market Structures: Perfect Competition, Monopoly, Monopolistic competition and Oligopoly – Features – Price and Output Determination – Managerial Theories of firm: Marris and Williamson’s models – other Methods of Pricing: Average cost pricing, Limit Pricing, Market Skimming Pricing, Internet Pricing: Flat Rate Pricing, Usage sensitive pricing and Priority Pricing.

Unit IV:

Types of Business Organization and Business Cycles:

Features and Evaluation of Sole Trader, Partnership, Joint Stock Company – State/Public Enterprises and their forms – Business Cycles : Meaning and Features – Phases of Business Cycle.

Unit V:

Introduction to Accounting & Financing Analysis:

Introduction to Double Entry Systems – Preparation of Financial Statements-Analysis and Interpretation of Financial Statements-Ratio Analysis – Preparation of Funds flow and cash flow statements (Simple Problems)

Unit VI:

Capital and Capital Budgeting:

Capital Budgeting: Meaning of Capital-Capitalization-Meaning of Capital Budgeting-Time value of money- Methods of appraising Project profitability: Traditional Methods(pay back period, accounting rate of return) and modern methods(Discounted cash flow method, Net Present Value method, Internal Rate of Return Method and Profitability Index)

Text Books:

1. Dr. N. AppaRao, Dr. P. Vijay Kumar: 'Managerial Economics and Financial Analysis', Cengage Publications, New Delhi – 2011
2. Dr. A. R. Aryasri – Managerial Economics and Financial Analysis, TMH 2011
3. Prof. J.V.Prabhakararao, Prof. P. Venkatarao. 'Managerial Economics and Financial Analysis', Ravindra Publication.

References:

1. Dr. B. Kuberudu and Dr. T. V. Ramana: Managerial Economics & Financial Analysis, Himalaya Publishing House, 2014.
2. V. Maheswari: Managerial Economics, Sultan Chand.2014
3. Suma Damodaran: Managerial Economics, Oxford 2011.