



RAGHU ENGINEERING COLLEGE

AUTONOMOUS

(Approved by AICTE, New Delhi, Accredited by NBA (CIV,ECE,MECH,CSE), NAAC with 'A+' grade & Permanently Affiliated to JNTU-GV, Vizianagaram)

Dakamarri, Bheemunipatnam Mandal, Visakhapatnam Dist. – 531 162 (A.P.)

Ph: +91-8922-248001, 248002 Fax: + 91-8922-248011

E-mail: principal@raghuenggcollege.com website: www.raghuenggcollege.com

II Year – II Semester

Subject Code: 23HM101

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MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

Course Objectives:

- To inculcate the basic knowledge of microeconomics and financial accounting
- To make the students learn how demand is estimated for different products, input-output relationship for optimizing production and cost
- To Know the Various types of market structure and pricing methods and strategy
- To give an overview on investment appraisal methods to promote the students to learn how to plan long-term investment decisions.
- To provide fundamental skills on accounting and to explain the process of preparing financial statements.

Course Outcomes:

- Define the concepts related to Managerial Economics, financial accounting and management (L2)
- Understand the fundamentals of Economics viz., Demand, Production, cost, revenue and markets (L2)
- Apply the Concept of Production cost and revenues for effective Business decision (L3)
- Analyze how to invest their capital and maximize returns (L4)
- Evaluate the capital budgeting techniques. (L5)
- Develop the accounting statements and evaluate the financial performance of business entity (L5)



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UNIT - I Managerial Economics

Introduction – Nature, meaning, significance, functions, and advantages. Demand-Concept, Function, Law of Demand - Demand Elasticity- Types – Measurement. Demand Forecasting- Factors governing Forecasting, Methods.

UNIT - II Production and Cost Analysis

Introduction – Nature, meaning, 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 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



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simple adjustments). Introduction to Financial Analysis - Analysis and Interpretation of Liquidity Ratios, Activity Ratios, Capital structure Ratios and Profitability.

Textbooks:

1. Varshney & Maheswari: Managerial Economics, Sultan Chand.
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.

Online Learning Resources:

<https://www.slideshare.net/123ps/managerial-economics-ppt>

<https://www.slideshare.net/rossanz/production-and-cost-45827016>

<https://www.slideshare.net/darkyla/business-organizations-19917607>

<https://www.slideshare.net/balarajbl/market-and-classification-of-market>

<https://www.slideshare.net/ruchi101/capital-budgeting-ppt-59565396>

<https://www.slideshare.net/ashu1983/financial-accounting>