

**Institute of Administrative Sciences**  
**Faculty of Business, Economics, and Administrative Sciences**  
**University of the Punjab, Lahore**  
**Course Outline**



<b>Programme</b>	BS Management	<b>Course Code</b>	ECON-328	<b>Credit Hours</b>	3
<b>Course Title</b>	<b>Managerial Economics</b>				
<b>Course Introduction</b>					
The main objective of this course is to make the students familiar with economic theory and tools essential to the analysis and solution of those problems that have significant economic consequences both for the firms and society at large. After taking this course a student will be able to suggest solutions to such business problems as optimization of output mix, input combination and profit maximization					
<b>Learning Outcomes</b>					
At the end of the course, students will be able to learn:					
<ol style="list-style-type: none"> <li>1. Application and real-world managerial practice</li> <li>2. Concepts will be applied in long run for efficiency of business</li> </ol>					
<b>Course Content</b>				<b>Assignments/Readings</b>	
<b>Week 1-2</b>	<b>Nature, Scope and Overview of Managerial Economics</b> The Nature and Scope of Managerial Economics, Firms and Managerial Objectives, The Managerial decision making process, Economic Optimization, Firms and Profits, Marginal Analysis, Theory of the firm. Profit maximization, Cost Minimization. Economic optimization.				
<b>Week 3-6</b>	<b>Market Forces: Demand and Supply Analysis, Estimation and Forecasting</b> Demand, Supply and Equilibrium, Demand Analysis, Elasticity, use of derivative in finding elasticity of demand & supply, use of various forms of elasticity in decision making, Measuring Economic Relationships, Statistical Relations and Regression Analysis, Simple linear regression model, Multiple linear regression model estimation. Forecasting, Methods of demand forecasting. Interpretation of estimated results				
<b>Week 7-9</b>	<b>Production and Cost</b> Theory of Production and cost, Production functions. Economies of scale and Diseconomies of scale. Optimization of multivariate functions, maxima, minima, point of inflection and their use in economic decision making.				
<b>Week 10-11</b>	<b>Market Structure</b>				

	Pricing decision under Perfect Competition, Monopolies, Monopolistic Competition and Oligopoly. Pricing Strategies for Firms in the short run and long run. Mark up pricing. Price Discrimination, Monoposony and Multiplant Monopoly and measuring Firms' Performance, Making Decisions under Noncompetitive Conditions. Game Theory: Pricing Strategies for Firm with Market Power.	
<b>Week 12-13</b>	<b>Linear Programming</b> Linear Programming using Microsoft Excel solver: Ingredients of Linear Programming, Assumption etc. Application of Linear Programming. Profit Maximization problems using graphical approach. Cost Minimization problems using graphical approach. The concept of dual, duality theorem, solving primal via dual and their economic applications.	
<b>Week 14-16</b>	<b>Capital Budgeting and Investment</b> Project appraisal/ capital budgeting, Investment Criteria and Decisions. Cash flow estimation, Net present value (NPV) Internal Rate of Return (IRR)	

#### **Textbooks and Reading Material**

- Baye, M. (2000) *Managerial Economics and Business Strategy* (Sixth Edition) McGraw-Hill Irwin
- Mark, H. (2003). *Managerial Economics* (latest edition). Thomson/South- Western College Publishing.
- Peterson, C. H., Lewis, W. C., Sudhir, J. K. (2009). *Managerial Economics*, (latest Edition). Pearson Education.
- Salvatore, D. (2001). *Managerial Economics*, McGraw Hill

#### **Teaching Learning Strategies**

This course makes use of interactive teaching and learning strategies which engage students to promote critical and reflective thinking, research and evaluation skills that will help them become better learners and enhance their skill set. Students will use personal and social capability to collaboratively work with others in learning activities, appreciate their own strengths and abilities and those of their peers, enabling them to develop a range of interpersonal skills such as communication, negotiation, teamwork, leadership and an appreciation of diverse perspectives.

#### **Assignments: Types and Number with Calendar**

Will be decided by the course instructor

#### **Assessment**

Sr. No.	Elements	Weightage	Details
7.	Midterm Assessment	35%	Written Assessment at the mid-point of the semester.

8.	Formative Assessment	25%	Continuous assessment includes: Classroom participation, assignments, presentations, viva voce, attitude and behavior, hands-on-activities, short tests, projects, practical, reflections, readings, quizzes etc.
9.	Final Assessment	40%	Written Examination at the end of the semester. It is mostly in the form of a test, but owing to the nature of the course the teacher may assess their students based on term paper, research proposal development, field work and report writing etc.