

Economics for Decision Making.

Text Book:- Managerial Economics - Varshney & Maheswari

Unit - I :-

Nature and scope of Managerial Economics -
Role and Responsibilities of Managerial Economics
- Economic Theory and Managerial Economics.

Meaning of Managerial Economics:-

- It is micro economic in character.
- It is the unit of study of a firm and its problems.
- It largely uses that body of economic concepts and principles.
- It is concrete and realistic.

Definition:

"The integration of economic theory with business practice for the purpose of facilitating decision-making and forward planning by management" Spencer & Streebma.

Nature of M. Eco.

1. close to micro-economics
2. Economics of the firm.
3. Normative economics.
4. Prescriptive action
5. Applied in nature

Prepared by
Dr. P. SRIDANI
Asst. Professor

6. Deals with both are using.
7. Interdisciplinary Action.
8. Assumptions and Limitations.

Scope

1. Demand Analysis & Forecasting
2. Cost & Production Analysis.
3. Pricing decision; policies & practices
4. Profit Management.
5. Capital Management.

Role & Responsibilities of Managerial Economics

1. Studies the economic patterns at macro level.
2. Analyse the significance of the specific firm.
3. Examine the probabilities of business avenues.
4. Assist the business planning process of a firm.
5. Carries cost-benefit analysis.
6. Assists the management in the decisions.
7. Analyse the changes in macro economies.
8. Guides the firm monetary & non-monetary.
9. Collects economic data.
10. Conduct detailed research regarding industrial (research) market.

11. Conduct an elaborate statistical analysis.
12. Provides economic information.
13. Gives valuable advice to the Govt. authorities.
14. Prepare speeches for top management.

Managerial Economics and other subjects

1. Managerial Economics & Business Economics
2. Managerial Economics & Statistics
3. Managerial Economics & Mathematics
4. Managerial Economics & Accounting
5. Managerial Economics & operation research.