

MANAGERIAL ECONOMICS AND FINANCIAL ANALYSIS

Course Code: 15HM1101

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Course Outcomes

- CO 1** To adopt the Managerial Economic concepts for decision making and forward planning. Also know law of demand and its exceptions, to use different forecasting methods for predicting demand for various products and services.
- CO 2** To assess the functional relationship between Production and factors of production and list out various costs associated with production and able to compute breakeven point to illustrate the various uses of breakeven analysis
- CO 3** To outline the different types of business organizations and provide a framework for analyzing money in its functions as a medium of exchange.
- CO 4** To adopt the principles of accounting to record, classify and summarize various transactions in books of accounts for preparation of final accounts.
- CO 5** To implement various techniques for assessing the financial position of the business.

UNIT-I : **(10 Lectures)**

INTRODUCTION TO MANAGERIAL ECONOMICS & DEMAND

Definition, Nature and Scope of Managerial Economics.

Demand Analysis: Definition-types of demand - Demand Determinants, Law of Demand and its exceptions.

Elasticity of Demand: Definition, Types, Significance of Elasticity of Demand. Demand Forecasting: definition, methods of demand forecasting (survey methods, statistical methods, expert opinion method, test marketing, controlled experiments, judgmental approach to demand forecasting)

UNIT-II: (10 Lectures)

THEORY OF PRODUCTION AND COST ANALYSIS

Production Function – Law of Variable Proportion, Isoquants and Isocosts, MRTS, Least Cost Combination of Inputs, Cobb-Douglas Production function, Laws of Returns.

Cost Analysis: Types of Cost, Break-even Analysis (BEA)-Determination of Break-Even Point (Simple numerical problems) - Managerial Significance and limitations of BEA.

UNIT-III: (10 Lectures)

BUSINESS ENVIRONMENT

Features of Business Organization, Sole Proprietorship, Partnership and Joint Stock Company, Steps for formation and Registration of the company.

Monetary Economics: Inflation, GDP, Per-capita Income.

UNIT-IV: (14 Lectures)

INTRODUCTION TO FINANCIAL ACCOUNTING

Accounting Principles, Concepts & conventions, Double-Entry Book Keeping, Journal, Ledger, Trial Balance, Final Accounts (Trading Account, Profit and Loss Account and Balance Sheet with simple adjustments)

UNIT-V: (10 Lectures)

PREPARATION AND ANALYSIS OF FINANCIAL STATEMENTS

Financial statement Analysis (Comparative and Common Size Statements) - Ratio analysis (Liquidity Ratios, Activity ratios, Solvency and Profitability ratios)

TEXT BOOKS

1. A R Aryasri, “*Managerial Economics and Financial Analysis*”, 4th Edition, TMH Publication, 2012.
2. S A Siddiqui & A. S. Siddiqui “*Managerial Economics and Financial Analysis*”, 1st Edition, New Age Publishers, 2012.
3. P.K.Sharma & Shashi K. Gupta, “*Management Accounting Principles and Practice*”, 12th Edition, Kalyani Publishers, 2004.
4. R.L.Varshney & K.L Maheswari, “*Managerial Economics*”, 22nd Edition, S.Chand Publishers, 2004.

REFERENCES

1. Dominick Salvatore, “*Managerial Economics: Principles and Worldwide Applications*”, 7th Edition, Oxford University Press, 2012.
2. Ramachandran N, Ram Kumar Kakani, “*Financial Accounting for Management*”, 2nd Edition, Pearson Education, 2007.
3. D N Dwivedi, “*Managerial Economics*”, 8th Edition, PHI Publication, 2010.
4. S P Jain & KL Narang, “*Cost and Management Accounting*”, 3rd Edition, Kalyani Publishers, 2004.
5. P Venkata Rao & J.V.Prabhakar Rao, “*Managerial Economics & Financial Analysis*”, 1st Edition, Maruti Publications, 2012.
6. Carl E. Walsh, “*Monetary Theory & Policy*”, 3rd Edition, The MIT Press Cambridge, 2010.