

II Year II Semester

Code: 20HS3002 / 20HS4002

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MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY

Course Objectives:

1. The Learning objectives of this paper is to understand the concept and nature of Managerial Economics and its relationship with other disciplines and also to understand the Concept of Demand and Demand forecasting, Production function, Input Output relationship, Cost-Output relationship and Cost-Volume-Profit Analysis.
2. To know different forms of Business organization and the concept of Business Cycles.
3. To learn different Accounting Systems, preparation of Financial Statement and uses of different tools for performance evaluation. Finally, it is also to understand the concept of Capital, Capital Budgeting and the techniques used to evaluate Capital Budgeting proposals.

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, Concept of Supply and Law of Supply.

UNIT II: Production and Cost Analysis:

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: Market structures and pricing : Types of Business Organization and Business Cycles:

Market structures: Features of perfect competition, Monopoly, monopolistic competition & Oligopoly. Theories of the firm: Marris & Williamson's models, Types of pricing: Features & Evaluation of Sole Trader, Partnership, Joint Stock Company. State/Public Enterprises and their forms – Business Cycles: Meaning and Features – Phases of a Business Cycle.

UNIT IV: Introduction to Accounting & Financing Analysis:

Introduction to Double Entry Systems – Preparation of Journal entries and Ledger postings, Preparation of final accounts with simple adjustments-Analysis and Interpretation of Financial Statements- Ratio Analysis (Simple Problems)

UNIT V: 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 (payback period, accounting rate of return) and modern methods (Discounted cash flow method, Net Present Value method, Internal Rate of Return Method and Profitability Index)

Course Outcome:

1. Understanding of Managerial Economics, demand Analysis, Measurement of Demand and Demand Forecasting.
2. Application of production tools and techniques to increase the production, Analyse production functions and application of cost control techniques.
3. Understanding of market structures, types of Business Organization and Business Cycles
4. Understanding of Accounting & Financing Analysis and Prepare Financial Statements and the usage of various Accounting tools for Financial Analysis
5. To evaluate various investment project proposals with the help of capital budgeting techniques for decision making

The Mapping of CO and PO on 3 point scale {high-3,Medium-2,Low-1} is:

CO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2
CO1	1	-	1	1	1	-	-	1	1	2	1	1	-	-
CO2	-	-	1	1	-	2	2	-	1	2	2	1	-	-
CO3	-	-	-	-	-	2	-	2	1	1	2	-	-	-
CO4	-	-	-	1	2	-	-	1	-	-	3	1	-	-
CO5	-	-	1	-	-	-	-	-	-	1	2	1	-	-

Text Books:

1. Dr. Maheswari, Jain and Narang - Managerial Economics and Financial Accountancy
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.

Reference Books:

1. V. Maheswari: Managerial Economics, Sultan Chand.2014
2. Suma Damodaran: Managerial Economics, Oxford 2011.
3. Vanitha Agarwal: Managerial Economics, Pearson Publications 2011.
4. Sanjay Dhameja: Financial Accounting for Managers, Pearson.
5. Maheswari: Financial Accounting, Vikas Publications.
6. S. A. Siddiqui & A. S. Siddiqui: Managerial Economics and Financial Analysis, New Age International Publishers, 2012
7. Ramesh Singh, Indian Economy, 7th Edn., TMH2015
8. Pankaj Tandon A Text Book of Microeconomic Theory, Sage Publishers, 2015
9. Shailaja Gajjala and Usha Munipalle, Univerties press, 2015