

IV B.Tech – I Semester
(17HS701) MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTANCY

Int. Marks	Ext. Marks	Total Marks	L	T	P	C
40	60	100	3	1	-	3

Pre-Requisites: None

Course Objectives:

- To make the students to learn the fundamentals of managerial economics and explain the concepts of costs and break – even analysis.
- To acquaint the students with the different market situations and different Pricing policies.
- To impart the knowledge of different Business organizations and Business cycles.
- To impart the knowledge of financial accounting.

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.

UNIT-II: Production and Cost Analyses:

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: Introduction to Markets, Theories of the Firm & Pricing Policies:

Market Structures: Perfect Competition, Monopoly, Monopolistic competition and Oligopoly – Features – Price and Output Determination – Managerial Theories of firm: Marris and Williamson's models – other Methods of Pricing: Average cost pricing, Limit Pricing, Market Skimming Pricing, Internet Pricing: Flat Rate Pricing, Usage sensitive pricing and PriorityPricing.

UNIT- IV: Types of Business Organization and Business Cycles

Features and Evaluation of Sole Trader, Partnership, Joint Stock Company – State/Public Enterprises and their forms – Business Cycles : Meaning and Features – Phases of Business Cycle.

UNIT -V: Introduction to Accounting & Financing Analysis

Introduction to Double Entry Systems – Preparation of Financial Statements-Analysis and Interpretation of Financial Statements-Ratio Analysis – Preparation of Funds flow and cash flow statements (Simple Problems)

UNIT -VI: 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 Valuemethod, Internal Rate of Return Method and Profitability Index)

Course Outcomes:

After successful completion of the course, the students can be able to:

S. No	Course Outcome	BTL
1.	Understand Managerial Economics, demand Analysis, Measurement of Demand and Demand Forecasting	L2
2.	Application of production tools and techniques to increase the production, Analyze production functions and application of cost control techniques.	L4
3.	Understand concepts of Markets, Theories of the Firm & Pricing Policies	L2
4.	Evaluate types of Business Organization and Business Cycles	L5
5.	Understand of Accounting & Financing Analysis and Prepare Financial Statements and the usage of various Accounting tools for Financial Analysis	L2
6.	To evaluate various investment project proposals with the help of capital budgeting techniques for decision making	L5

Correlation of COs with POs & PSOs:

CO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12	PSO1	PSO2
CO 1	-	-	-	-	-	1	-	-	-	-	2	1	-	-
CO 2	-	-	-	-	-	2	2	-	-	-	2	1	-	-
CO 3	-	-	-	-	-	1	-	2	-	-	2	-	-	-
CO 4	-	-	-	-	-	2	-	2	-	-	2	-	-	-
CO 5	-	-	-	-	-	-	-	1	-	-	3	1	-	-
CO6	-	-	1	-	-	-	-	-	-	-	2	1	-	-

Text Books:

1. Dr. N. AppaRao, Dr. P. Vijay Kumar: 'Managerial Economics and Financial Analysis', Cengage Publications, New Delhi – 2011
2. Dr. A. R. Aryasri – Managerial Economics and Financial Analysis, TMH 2011
3. Prof. J.V.Prabhakara Rao, Prof. P. Venkata Rao. 'Managerial Economics and Financial Analysis', Ravindra Publication.

Reference Books:

1. Dr. B. Kuberudu and Dr. T. V. Ramana: Managerial Economics & Financial Analysis, Himalaya Publishing House, 2014.
2. V. Maheswari: Managerial Economics, Sultan Chand. 2014
3. Suma Damodaran: Managerial Economics, Oxford 2011.