

MANAGERIAL ECONOMICS AND FINANCIAL ACCOUNTING

Course Code : 13HM1101

L	T	P	C
4	0	0	3

Course Educational Objectives:

To explain the basic principles of managerial economics, accounting practices and financial management techniques for effective business decision making and to promote entrepreneurial abilities among the budding engineers.

Course Outcomes:

To understand the economic environment and to give an idea on various accounting concepts and financial management techniques for effective utilization of economic resources.

UNIT-I

(12 Lectures)

INTRODUCTION TO MANAGERIAL ECONOMICS & DEMAND:

Definition, Nature and Scope of Managerial Economics, Factors influencing managerial decision making process

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

(12 Lectures)

THEORY OF PRODUCTION AND COST ANALYSIS:

Production Function – Isoquants and Isocosts, MRTS, Least Cost Combination of Inputs, Cobb-Douglas Production function, Laws of Returns, Internal and External Economies of Scale.

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, Features, Advantages & limitations of Sole Proprietorship, Partnership, and Joint Stock Company, Steps for formation and Registration of the company- Internal and External factors affecting business environment (PESTLE analysis)- Impact of environment on business

UNIT-IV**(12 Lectures)****INTRODUCTION TO FINANCIAL ACCOUNTING:**

Accounting Principles, Concepts & conventions, Double-Entry Book Keeping, Journal, Ledger, Trial Balance

UNIT-V**(18 Lectures)****PREPARATION AND ANALYSIS OF FINANCIAL STATEMENTS:**

Final Accounts (Trading Account, Profit and Loss Account and Balance Sheet with simple adjustments) - 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*”, 2nd Edition, TMH, 2009
- 2 S A Siddiqui & A. S. Siddiqui, “*Managerial Economics & Financial Analysis*”, 1st Edition, New Age Publishers, 2005.
- 3 P Venkata Rao, J.V.Prabhakar Rao “*Managerial Economics and Financial Analysis*”, 1st Edition, Maruti Publications, 2012.
- 4 R.L.Varshney & K.L.Maheswari, “*Managerial Economics*”, 5th Edition, S.Chand Publishers, 2005.

REFERENCES:

- 1 D N Dwivedi, “*Managerial Economics*”, 8th Edition, PHI, 2010.
- 2 S P Jain & KL Narang, “*Cost and Management Accounting*”, 3rd Edition Kalyani Publishers, 2004.
- 3 P.K.Sharma & Shashi K. Gupta, “*Management Accounting Principles and Practice*”, 1st Edition, Kalyani Publishers, 2004.

