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# MANAGERIAL ECONOMICS

*Text and Cases*



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# Preface to First Edition

The economic tools of analysis have gained a wide application in the process of Business decision-making, possibly, because modern business problems have become so complex that decision maker's personal experience is no longer adequate to provide an appropriate solution. It has, therefore, become essential for persons associated with decision-making to possess at least a working knowledge of the relevant tools of analysis. The purpose of this book is to provide, in one volume, the various economic theories which are deemed to constitute the subject-matter of Managerial Economics. This book is intended to explain in non-technical language, the economic concepts, tools of analysis, their relevance in business decision-making and also the influence of economic environment on business decisions. The scope of Managerial Economics is still in a state of flux and it may remain so in a computer based dynamic society with modern outlook of management.

It gives us great pleasure to place this book before the students, learned teachers, professionals and business executives. This book on Managerial Economics : Text and Cases has been designed especially for the students of M.B.A., M.C.A., M.B.E., P.G.D.B.M., M.Com., B.B.A., B.C.A., B.B.E., B.B.S., B.C.A.M., L.L.B., C.A.I.I.B., I.C.W.A., B.Com., of various Indian universities and management as well as technical institutes. The book is equally useful for students pursuing courses like B.Com., M. Com., etc., wherever Managerial Economics or Economics : A Managerial Perspective or Applied Economics is taught, as one of the papers. The present book covers almost the entire syllabus of the said paper taught in various universities/autonomous institutes/institutes affiliated to Indraprastha University or other universities/bodies. Though the book is primarily meant for students, yet a study of the book will also enable practicing managers to systematise and improve their Business skills.

The subject has been presented in a lucid manner so as to be accessible to all the readers. The various concepts have been presented in a simple and crisp manner to help the students with different levels of understanding to go deep into the intricacies of the subject. Linkages between successive chapters have been clearly established to ensure quick understanding of the text in the first reading itself.

Adequate number of diagrams, charts and tables have been given to keep the text easily understandable. Mathematical presentation has also been used, wherever needed, to strengthen the clarity and analytical rigour. Solved problems have been incorporated at the end of several chapters. Solved Integrated Case Study and unsolved Caselets further enhance the utility of this book.

Authors extend deep gratitude to Mr. Sanjeev Gupta, Director, IBH and Mr. Vikram Behl, Regional Manager, Delhi Office, IBH for producing this book in excellent get-up and in record time.

We shall be thankful to the readers and teachers for pointing out discrepancies and errors in the text, which we hope to rectify in the next edition of the book. Suggestions for further improvement of this book will be highly appreciated.

**Dr. D.D. Chaturvedi**  
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2. Nature and Scope of Managerial Economics
3. Role of Managerial Economics in Decision Making
4. Macro Economic Analysis of Business Environment

## ABOUT THE BOOK

**Managerial Economics** is a prerequisite for successfully completing any management course. This book covers all the aspects of Managerial Economics. The students of M.B.A., M.C.A., M.B.E., P.G.D.B.M., M.Com., B.B.A., B.C.A., B.B.E., B.B.S., B.C.A.M., L.L.B., C.A.I.I.B., B.B.S., I.C.W.A., B.Com., etc., will find the contents of this book very useful, thought provoking and of immense practical use. Efforts have been made to ensure that the exposition to the theory, complex business problems and the empirical situations is easily understandable by the readers.

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- Mathematical presentations, wherever needed.
- Sufficient examples & review exercises.
- Solved integrated case study and unsolved caselets.

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