



Kot Bhalwal, Jammu



Model Institute of Engineering  
& Technology (Autonomous)  
Dr. Arun K. Gupta Teaching-Learning Centre

## Department of MBA

### Details of Lesson Plan

S.No.	Particulars	Details
1.	Course Name	Managerial Economics
2.	Course Code	MBA-101
3.	Academic Year	2024-25
4.	Semester	1st
5.	Number of Lesson plans	48
6.	Faculty Assigned	Dr Ankita Nanda

Faculty Signature



<b>Lesson Plan No. 1</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Course Introduction -Managerial Economics</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Articulate the difference between economic and Managerial Economics b) Understand the relevance of Managerial Economics for business managers c) Identify the various areas to be covered under the subject d)
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<p>1. <b>Introduction</b> (5 minutes)</p> <ul style="list-style-type: none"><li>- Ask questions</li><li>Why is it important for managers to understand economics?</li><li>Provide a brief overview of Managerial Economics</li><li>A Brief about how managerial economics is relevant to managers.</li><li>Explain the importance of understanding economic activities,</li></ul> <p>2. <b>Development</b> (30 minutes)</p> <p>A. Circular Flow of Economic Activity</p> <p>Explain the concept using a simple diagram.</p> <p>Discuss the roles of households, firms, government, and the foreign sector in the economy.</p> <p>Highlight the flow of money, goods, services, and resources.</p> <p>B. Demand Analysis and Estimation</p> <p>Define demand and differentiate between individual, market, and firm demand.</p> <p>Discuss the determinants of demand: price, income, tastes and preferences, substitutes, complements, etc.</p> <p>Introduce the concept of elasticity of demand (price, income, and cross elasticity).</p> <p>C. Law of Variable Proportions</p> <p>Explain the production function and its relevance in business.</p> <p>Discuss the stages of production: increasing, diminishing, and negative returns.</p> <p>Provide examples of how businesses apply this law in decision-making.</p> <p>D. Market Structure</p> <p>Explain an Overview of Market Structure and its various types</p> <p>Discuss how the pricing and output varies with market conditions</p> <p>E. Pricing Strategies</p> <p>Explain the importance of Pricing and its objectives</p>



	<p>Give an overview of the various pricing strategies and Policies F. MacroEconomics Give an overview of the role of the Central Bank A Brief Overview of the various topics like National Income, Monetary Policy, Fiscal Policy, Economic Indicators.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young</li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) What is your understanding of Managerial Economics?</li><li>b) Why do you think Managerial Economics has emerged as a separate branch of Economics?</li><li>c) What is the difference between MicroEconomics and MacroEconomics?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 2</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Introduction to Managerial Economics</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Articulate the concept of Managerial Economics b) Understand the importance and integration of Managerial Economics for Business decision making. c) Discuss the nature and Scope of Managerial Economics
<b>Teaching Aids (if any)</b>	a. PPT b. Google Form Quiz
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>1. <b>Introduction</b> (5 minutes) <ul style="list-style-type: none"> <li>- Ask questions What do you know about Economics? Why do people Economise?</li> <li>- Introduce the concept of Managerial Economics. Show Figure on slide.</li> <li>- Talk about what was the need of Managerial Economics to emerge as a separate branch of economics.</li> <li>- Introduce the formal definition of Managerial Economics</li> </ul> </li> <li>2. <b>Development</b> (30 minutes) <ol style="list-style-type: none"> <li>a. Importance of Managerial Economics <ul style="list-style-type: none"> <li>- Highlight the important characteristics and how it is a useful tool for decision making.</li> <li>- Show Figure to explain the integration of Managerial Economics with Economics.</li> <li>- Show Figure for Application of Economics in Business Decision Making.</li> <li>- Discuss with examples how managerial economics is used in Business.</li> </ul> </li> <li>b. Scope Of Managerial Economics <ul style="list-style-type: none"> <li>- MicroEconomics Discuss the various theories under Microeconomics</li> <li>- Theory of Consumer Demand</li> <li>- Theory of Production</li> <li>- Theory of Cost</li> <li>- Theory of Price Determination</li> <li>- Theory of Capital and Investment Decisions</li> <li>- MacroEconomics</li> <li>- Economic Environment</li> <li>- Social Environment</li> <li>- Political Environment</li> <li>- Legal Environment</li> </ul> </li> </ol> </li> </ol> <p>Exercise (5 minutes) –</p> <ul style="list-style-type: none"> <li>- Conduct a Google Form Quiz and discuss responses</li> </ul>
<b>Closure</b>	1. Summarize the Lesson Learning Outcomes and get affirmation



	<p>from students on these.</p> <ol style="list-style-type: none"><li>2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young</li><li>3. Homework -Download the Economic Times App on mobile and come prepared with the top headlines.</li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) What is your understanding of Managerial Economics?</li><li>b) Why do you think Managerial Economics has emerged as a separate branch of Economics?</li><li>c) What is the difference between MicroEconomics and MacroEconomics?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 3</b>	<b>Course Name: Managerial Economics</b> <b>Topic: : Utility Concept and Law of Diminishing Marginal Utility</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Articulate the concept of Demand b) Analyse the basics of Demand-Utility Concept. c) Discuss the Law of Diminishing Marginal Utility articulate the concept of Managerial Economics
<b>Teaching Aids (if any)</b>	a. PPT b. YouTube Video c. Google Form Quiz
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) - Ask questions - Ask questions What is demand? What are the components that create demand? - Introduce the formal definition of demand. Give Examples to further explain demand. 2. <b>Development</b> (30 minutes) a. Basis of Demand-Utility Concept -Types of Utility -Ordinal Utility - Cardinal Utility - Total Utility -Marginal Utility b. Utility -Product Angle with examples -Commodity Angle with examples c. Law of Diminishing Marginal Utility - Statement of The Law - Assumptions of the Law - Figure to be shown for Illustration of the Law - Figure showing Demand Schedule - Figure of Diminishing Curve to be Explained - Video on the Law of Diminishing Marginal Utility <a href="https://www.youtube.com/watch?v=YhqWkw_OGs">https://www.youtube.com/watch?v=YhqWkw_OGs</a> 3. Exercise (5 minutes) – - Conduct a Google Form Quiz and discuss responses
<b>Closure</b>	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young 3. Homework -Draw the law of Diminishing return on the notebook



	Spend 5 minutes to wrap up and consolidate the learnings.
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) Give some examples to explain and differentiate various types of utility?</li><li>b) What is the Law of Diminishing Marginal Utility?</li><li>c) How the law of Diminishing Marginal Utility is the basis of demand?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 4</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Law of Demand</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) To Understand the concept of Law of Demand b) Analyse the Factors behind law of demand. c) Articulate the concept of Demand Function d) Analyse the reasons for the shift in the demand curve
<b>Teaching Aids (if any)</b>	a. PPT b. Google Form Quiz
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) -Recapitulate the concept of demand -Ask Questions What are the components that create demand? Give Examples of demand 2. <b>Development</b> (30 minutes) a) Law of Demand(10 Mins) a. -Statement of The Law b. -Figure showing Demand Schedule c. -Figure showing Demand Curve d. -Demand Function e. Individual Demand Function f. Market Demand Function b) Factors Behind Law of Demand (5 Mins) - Income Effect - Substitution Effect - Maximum Utilising Behaviour c) Exceptions to the Law of Demand (5 Mins) - Giffen Goods - Status Goods - Consumer Expectation Regarding Future Prices d) Shift in the Demand Curve (5 Mins) - Leftward Shift in Demand Curve - Rightward Shift in Demand Curve - Reasons for Shift in the Demand Curve 3. Exercise (5 minutes) – Conduct a Google Form Quiz and discuss responses
<b>Closure</b>	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young 3. Homework - Find out the products which do not follow the law of demand. Spend 5 minutes to wrap up and consolidate the learnings.



<b>Evaluation</b>	<p>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.</p> <ul style="list-style-type: none"><li>a) State the law of demand?</li><li>b) What are the exceptions to the law of demand?</li><li>c) What is the difference between Individual and Market Demand?</li></ul> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>
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<b>Lesson Plan No.5</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Determinants of Demand</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Analyse the determinants of demand. b) Illustrate the determinants with the help of examples. c) Analyze real-world scenarios to determine which factors influence changes in demand. d) Interpret shifts in demand curves based on changes in determinants. e) Apply the concept of determinants of demand to predict market behaviors.
<b>Teaching Aids (if any)</b>	a. PPT b. Google form Quiz
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) -Recapitulate the concept of demand Ask Questions What are the components that create demand? Give Examples of demand 2. <b>Development</b> (30 minutes) a. Determinants of Demand(15 Mins) -Price of the Product -Price of the Related Goods -Consumer Income -Consumer Expectations -Population -Consumer Taste and Advertising -Demonstration Effect -Availability of Consumer Credit facility -Distribution of National Income -Consumer Taste and Preferences b.Graphical Representation (10 Mins) Show how each determinant can cause shifts in the demand curve. Use simple graphs to illustrate how demand curves shift to the right (increase in demand) or to the left (decrease in demand) based on changes in these determinants. c.Exercise (5 minutes) – • Google Form Quiz: <a href="https://docs.google.com/forms/d/1tvHNOw0Z4mO4hwOt06i1rYWcKNPUQ_wrEiYwuCKDKMY/edit">https://docs.google.com/forms/d/1tvHNOw0Z4mO4hwOt06i1rYWcKNPUQ_wrEiYwuCKDKMY/edit</a>
<b>Closure</b>	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young 3. Homework- <b>Scenario</b> : A popular coffee chain announces that they will raise their prices by 15% starting next month. Customers expect this price



	<p>increase.</p> <p><b>Questions:</b></p> <p>a) How might consumers' expectations about future prices affect the current demand for coffee?</p> <p>b) Which determinant of demand is influencing the demand for coffee in this scenario?</p>
<b>Evaluation</b>	<p>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.</p> <p>a) What might happen to the demand for luxury goods during an economic downturn?</p> <p>b) How can a change in consumer preferences shift the demand curve for a product?</p> <p>c) Why might the demand for a product increase even if its price stays the same?</p> <p>d) How do expectations about future price changes influence current demand?</p> <p>e) Can the number of buyers in a market affect the demand for a product? How?</p> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 6</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Types of Demand</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Define and differentiate between various types of demand. b) Identify examples of different types of demand in real-world contexts. c) Explain the significance of understanding different types of demand for businesses and policymakers.
<b>Teaching Aids (if any)</b>	a. PPT b. YouTube Video
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) - Recapitulate the concept of demand - Ask Questions What are the producer and consumer goods? - Give Examples of producer and consumer goods. - Difference between Individual and Market Demand 2. <b>Development</b> (30 minutes) a. Types of Demand - Demand for Consumer Goods - Demand for Producer Goods - Autonomous Goods - Derived Demand - Individual Demand - Market Demand - Firm Demand - Industry Demand - Short Run Demand - Long Run Demand - Demand for Durable Goods - Demand for Perishable Goods b. Show Video on Types of Demand (5 Mins) <a href="https://www.youtube.com/watch?v=5X91ZcDzQ7I">https://www.youtube.com/watch?v=5X91ZcDzQ7I</a> c. Exercise-Conduct a google form Quiz and discuss responses <a href="https://docs.google.com/forms/d/1cOH5MzgZMngwvIDZ2Fz-A8BErDQ6DG2ae6LnjaZ2AWo/edit">https://docs.google.com/forms/d/1cOH5MzgZMngwvIDZ2Fz-A8BErDQ6DG2ae6LnjaZ2AWo/edit</a>
<b>Closure</b>	1. Summarize the Lesson Learning Outcomes and get affirmation from students on these. 2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young 3. Homework - "A bakery orders more flour as it plans to increase production of cakes. Is this direct or derived demand? Why?" Spend 5 minutes to wrap up and consolidate the learnings.
<b>Evaluation</b>	1. Reflective Questions (What, Why, Who?). Allow students to



	<p>answer and discuss.</p> <ol style="list-style-type: none"><li>How does understanding the difference between direct and derived demand help businesses plan their production?</li><li>Can a product have both joint and composite demand? Provide an example.</li><li>Why is it important for policymakers to understand whether demand for a product is elastic or inelastic?</li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>
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<b>Lesson Plan No. 7</b>	<b>Course Name: Managerial Economics</b> <b>Topic: : Indifference Curves</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ul style="list-style-type: none"><li>a. Define indifference curves and explain their significance in consumer choice theory.</li><li>b. Interpret the properties and shapes of indifference curves.</li><li>c. Analyze consumer preferences using indifference curves.</li><li>d. Illustrate the concept of the marginal rate of substitution (MRS) using indifference curves.</li></ul>
<b>Teaching Aids (if any)</b>	<ul style="list-style-type: none"><li>a. PPT</li><li>b. Google Form Quiz</li></ul>
<b>Teaching Development</b>	<ol style="list-style-type: none"><li>1. <b>Introduction</b> (5 minutes) Ask question: "If you had to choose between two products, say, apples and bananas, how would you decide how much of each to buy?" Encourage brief responses to get students to think about consumer choices.</li><li>2. <b>Development</b> (30 minutes)<ul style="list-style-type: none"><li>a. <b>Definition and Concept</b> (5 minutes)<ul style="list-style-type: none"><li>-Define indifference curves as graphical representations of different combinations of two goods that provide a consumer with the same level of satisfaction or utility.</li><li>-Explain the assumption that consumers are rational and seek to maximize their utility.</li></ul></li><li>b. <b>Properties of Indifference Curves</b> (10 minutes)<ul style="list-style-type: none"><li>- <b>Downward Sloping:</b> Explain that indifference curves slope downward from left to right, indicating that as a consumer increases the quantity of one good, they must give up some of the other to maintain the same level of satisfaction.</li><li>- <b>Convex to the Origin:</b> Discuss how indifference curves are convex to the origin, reflecting the principle of diminishing marginal rate of substitution (MRS).</li><li>- <b>Non-Intersecting:</b> Emphasize that indifference curves do not intersect, as this would imply contradictory preferences.</li><li>- <b>Higher Curves Represent Higher Utility:</b> Explain that indifference curves further from the origin represent higher levels of utility.</li></ul></li></ul></li><li>c. <b>Graphical Illustration</b> (10 minutes)<ul style="list-style-type: none"><li>- <b>Draw Indifference Curves:</b> Draw a basic indifference curve on the board, labeling axes with two goods (e.g., X-axis: apples, Y-axis: bananas).</li><li>- <b>Explain Shifts and Movement:</b> Illustrate how moving along the curve reflects different combinations of goods, and how a shift to a higher curve indicates an increase</li></ul></li></ol>



	<p>in utility.</p> <ul style="list-style-type: none"><li>- Introduce Budget Constraint: Briefly introduce the budget line and show how it interacts with indifference curves to determine the optimal consumption bundle.</li></ul> <p><b>d. Exercise (5 minutes):</b></p> <p>Provide students with a set of data representing different combinations of two goods that yield the same utility. Ask them to plot an indifference curve using this data and identify the MRS at different points on the curve.</p>
<b>Closure</b>	<ul style="list-style-type: none"><li>- Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>- Suggested Reading</li><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li><li>- Homework</li></ul> <p><b>Plotting Indifference Curves:</b></p> <ul style="list-style-type: none"><li>- Given the following combinations of two goods (e.g., apples and oranges), plot an indifference curve on graph paper or using graphing software.<ul style="list-style-type: none"><li>o Combination A: 4 apples, 2 oranges</li><li>o Combination B: 3 apples, 3 oranges</li><li>o Combination C: 2 apples, 5 oranges</li></ul></li><li>- Label your axes and ensure the curve reflects the properties of an indifference curve.</li></ul> <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a. Why do indifference curves never cross? What would it imply if they did?</li><li>b. How does the shape of an indifference curve reflect a consumer's willingness to trade one good for another?</li><li>c. What does the MRS tell us about a consumer's preferences at different points on an indifference curve?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 8</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Elasticity of Demand</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a. To Understand the concept of Elasticity of Demand. b. Explain the determinants of price elasticity of demand and calculate elasticity using different methods. c. Interpret and analyse real-life scenarios using elasticity concepts. d. Compare and contrast different elasticities and their implications for businesses.
<b>Teaching Aids (if any)</b>	a. PPT b. Google Form Quiz
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) Introduce the concept of Elasticity. - Give examples to show the difference between elastic and inelastic. 2. <b>Development</b> (30 minutes) a. <b>Importance of Elasticity (5 Mins)</b> b. Types of Elasticity (10 Mins) Price Elasticity -Perfectly Elastic -Perfectly Inelastic -Relatively Elastic -Relatively Inelastic -Unit Elasticity c. Determinants of Price Elasticity (10 Mins) Income Elasticity of Demand -Concept of Income Elasticity -Positive Income Elasticity -Zero Income Elasticity - Negative Income Elasticity -Uses of income elasticity Cross Elasticity of Demand -Substitute Goods -Complementary goods -Unrelated Goods d.Exercise (5 minutes): A small numerical will be given to the students and they will be asked to calculate the price elasticity of demand.
<b>Closure</b>	- Summarize the Lesson Learning Outcomes and get affirmation from students on these. - Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young Spend 5 minutes to wrap up and consolidate the learnings.
<b>Evaluation</b>	1. Reflective Questions (What, Why, Who?). Allow students to



	<p>answer and discuss.</p> <ol style="list-style-type: none"><li>How does understanding the concept of price elasticity of demand help businesses in setting prices for their products?</li><li>In what ways can knowledge of elasticity of demand inform government decisions regarding taxation and subsidies?</li><li>Consider a product you frequently purchase. Is its demand elastic or inelastic? How does this affect your buying decisions when its price changes?</li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>
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<b>Lesson Plan No. 9</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Demand Forecasting</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a. Define demand forecasting and list its various methods. b. Explain the importance of demand forecasting in business decision- making. c. Apply different demand forecasting techniques to specific scenarios. d. Analyze the strengths and limitations of different demand forecasting methods. e. Evaluate the accuracy and reliability of forecasting methods in different situations.
<b>Teaching Aids (if any)</b>	a. PPT b. Caselet
<b>Teaching Development</b>	1. <b>Introduction</b> (5 minutes) - Begin with a scenario: "Imagine you own a bakery. How would you decide how many loaves of bread to bake each day?" Allow students to share their thoughts. - Link to Topic: Introduce the concept of demand forecasting as a tool that businesses use to predict future demand for their products or services, helping them make informed decisions. 2. <b>Development</b> (30 minutes) a. Definition and Importance of Demand Forecasting (5 minutes) - Define demand forecasting as the process of estimating future demand for a product or service. - Explain its importance in inventory management, budgeting, marketing strategies, and overall business planning. b. Methods of Demand Forecasting (15 minutes) - Qualitative Methods: o Expert Opinion: Using insights from experienced professionals to predict demand. o Market Research: Collecting data through surveys, focus groups, and interviews. o Delphi Method: Reaching a consensus forecast through rounds of expert opinions. - Quantitative Methods: o Time Series Analysis: Analyzing past sales data to identify trends and patterns. o Causal Models: Considering factors like economic indicators, market conditions, and pricing strategies. o Moving Averages: Smoothing out fluctuations in data to identify underlying trends. • Comparison of Methods: Discuss the strengths and weaknesses of



	<p>qualitative and quantitative approaches.</p> <p>c. Factors Affecting Demand Forecasting Accuracy (5 minutes)</p> <ul style="list-style-type: none"><li>• Economic Conditions: How changes in the economy can impact demand.</li><li>• Seasonality: The effect of seasonal variations on product demand.</li><li>• Market Trends: The influence of changing consumer preferences and behaviors.</li><li>• Technological Changes: How innovations can disrupt or enhance demand forecasting.</li></ul> <p>d. Interpreting Demand Forecasting Data</p> <ul style="list-style-type: none"><li>• Show students an example of a demand forecast graph.</li><li>• Explain how to interpret the data, identify trends, and predict future demand based on the graph.</li></ul> <p>e. Exercise( 5 Mins):</p> <p>Scenario-Based Forecasting: Provide students with a hypothetical business scenario (e.g., a new product launch). Ask them to choose a suitable demand forecasting method and justify their choice. They should also predict possible outcomes based on their chosen method.</p>
<b>Closure</b>	<ul style="list-style-type: none"><li>- Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>- Suggested Reading</li><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul> <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
<b>Evaluation</b>	<p>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.</p> <ul style="list-style-type: none"><li>a. Why is demand forecasting critical for businesses in both the short-term and long-term?</li><li>b. How might inaccuracies in demand forecasting impact a business? Can you think of any real-world examples?</li><li>c. Which method of demand forecasting do you think is most reliable? Why?</li></ul> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 10</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Circular Flow of Economic Activity</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a. To Understand the concept of Circular Flow of Economic Activity. b. Illustrate the flow of goods, services, and money in the economy using the circular flow model. c. Analyze the impact of injections and leakages on the circular flow model. d. Evaluate the importance of government and international trade in the circular flow model. e. To Analyse the various models of economic activity.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li><b>Introduction</b> (5 minutes) Engage Students: Start with a question: "How does money circulate in an economy? What happens when you spend money on a product?" Allow students to share their thoughts. Link to Topic: Introduce the concept of the circular flow of the economy, which explains how money moves through different sectors and keeps the economy functioning.</li><li><b>Development</b> (30 minutes) Definition and Basic Concept (5 minutes) -Define the circular flow of the economy as a model that illustrates the movement of goods, services, and money between different sectors of the economy. -Explain that it helps us understand how various parts of the economy are interconnected. Components of the Circular Flow (10 minutes)<ol style="list-style-type: none"><li><b>Households:</b> Consumers who provide factors of production (labor, land, capital) and receive income (wages, rent, interest).</li><li><b>Firms:</b> Businesses that produce goods and services using factors of production and sell them to households and other sectors.</li><li><b>Government:</b> Collects taxes, provides public goods and services, and redistributes income.</li><li><b>Foreign Sector:</b> Represents trade with other countries, including exports and imports.</li><li><b>Financial Sector:</b> Banks and financial institutions that facilitate saving, borrowing, and investment.</li></ol>Circular Flow Diagram (10 minutes) -Draw a simple circular flow diagram on the board showing the interaction between households and firms in a two-sector model (households and firms only).</li></ol>



	<p>-Expand the diagram to include the government and foreign sector, illustrating how taxes, government spending, exports, and imports fit into the model.</p> <p>-Explain how income flows from firms to households (wages, rent) and how households spend money on goods and services, creating a continuous flow.</p> <p>Money Flow and Economic Equilibrium</p> <p>Exercise (5 minutes):</p> <p>Diagram Completion: Provide students with a partially completed circular flow diagram. Ask them to fill in the missing parts and label the flows of goods, services, and money between sectors.</p>
<b>Closure</b>	<ul style="list-style-type: none"><li>- Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>- Suggested Reading</li><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul> <p>Spend 5 minutes to wrap up and consolidate the learnings.</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How does the circular flow of money help in understanding the interconnectedness of different sectors in the economy?</li><li>b) In what ways can disruptions in one part of the circular flow (e.g., a decrease in consumer spending) affect the entire economy?</li><li>c) Why is it important for businesses to understand the circular flow of money when making production and investment decisions?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 11</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Production Function</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Define the production function and its components. b) Differentiate between short-run and long-run production functions. c) Understand the law of diminishing returns and its implications. d) Analyze the relationship between inputs and outputs in the production process.
<b>Teaching Aids (if any)</b>	a. PPT b. Google Form Quiz
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li><b>Introduction</b> (5 minutes)             <ul style="list-style-type: none"> <li>-Ask a question: "How do businesses decide the optimal amount of resources to use in production?"</li> <li>-Introduce the concept of the production function as the relationship between inputs (factors of production) and outputs (goods/services produced).</li> <li>- Explain why understanding the production function is crucial for cost management and efficiency in business operations.</li> </ul> </li> <li><b>Development</b> (30 minutes)             <ol style="list-style-type: none"> <li><b>Definition and Components of the Production Function</b> (5 minutes)                 <ul style="list-style-type: none"> <li>-Define the production function: <math>Q=f(L, K, N, \dots)</math> <math>Q = f(L, K, N, \dots)</math> <math>Q=f(L, K, N, \dots)</math>, where <math>Q</math> is the quantity of output, and <math>L, K, N, \dots</math> represent various inputs like labor, capital, and natural resources.</li> <li>-Discuss the difference between fixed and variable inputs.</li> </ul> </li> <li><b>Short-Run vs. Long-Run Production Functions</b> (10 minutes)                 <ul style="list-style-type: none"> <li>-Explain the concept of the short-run production function, where at least one input is fixed.</li> <li>-Discuss the law of diminishing returns and its impact on production as more units of a variable input (e.g., labor) are added while keeping other inputs constant.</li> <li>-Introduce the long-run production function, where all inputs are variable, and firms can adjust all factors of production.</li> <li>-Discuss returns to scale: increasing, constant, and decreasing returns to scale.</li> </ul> </li> <li><b>The Law of Diminishing Returns</b> (10 minutes)                 <ul style="list-style-type: none"> <li>-Explain the law of diminishing returns using a simple example (e.g., a factory adding more workers to a fixed number of machines).</li> <li>-Illustrate the concept with a graph showing the total, marginal, and average product curves.</li> <li>-Discuss the practical implications of this law for businesses, such as optimizing resource allocation.</li> </ul> </li> <li><b>Economies of Scale</b> (5 minutes)                 <ol style="list-style-type: none"> <li>Define economies of scale and explain how they allow firms to</li> </ol> </li> </ol> </li> </ol>



	<p>lower costs as production increases.</p> <ol style="list-style-type: none"><li>Differentiate between internal and external economies of scale.</li><li>Provide examples of industries where economies of scale are significant (e.g., manufacturing, transportation).</li></ol> <p>Exercise (5 minutes) – Conduct a Google Form Quiz and discuss responses</p> <ul style="list-style-type: none"><li><a href="https://docs.google.com/forms/d/1mv5KnpUn5haL1c3EU0K4TzzXzXNwyiaAEYSA9dZ6EE/edit">https://docs.google.com/forms/d/1mv5KnpUn5haL1c3EU0K4TzzXzXNwyiaAEYSA9dZ6EE/edit</a></li></ul>
<b>Closure</b>	<ol style="list-style-type: none"><li>Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young</li><li>Homework Select a company or industry of your choice and research how they manage their production function. Identify how they deal with diminishing returns and whether they experience economies of scale.</li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>How can understanding the production function help businesses improve efficiency and reduce costs?</li><li>In what ways might the law of diminishing returns influence decisions in your personal or professional life?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



Lesson Plan No. 12	Course Name: Managerial Economics Topic: Short Run Law of Production	Course No.: MBA-101
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Define the Short Run Law of Production. b) Explain the Law of Diminishing Returns and its stages. c) Illustrate the relationship between total, marginal, and average products. d) Analyze how businesses make decisions based on the Short Run Law of Production
<b>Teaching Aids (if any)</b>	a. PPT b. Google Form Quiz
<b>Teaching Development</b>	<ol style="list-style-type: none"><li><b>1. Introduction (5 minutes)</b><ul style="list-style-type: none"><li>- Start with a question: "What happens when you keep adding more workers to a factory with a fixed number of machines?"</li><li>- Introduce the idea of the short run in economics, where some factors of production are fixed (e.g., capital), and others are variable (e.g., labor).</li><li>- Explain the relevance of studying production in the short run for understanding business decisions.</li></ul></li><li><b>2. Development (30 minutes)</b><ol style="list-style-type: none"><li><b>A. Definition of Short Run in Production (5 minutes)</b><ul style="list-style-type: none"><li>-Define the short run as a period during which at least one input (usually capital) is fixed, while other inputs (like labor) can be varied.</li><li>-Discuss the difference between short-run and long-run production.</li></ul></li><li><b>B. The Law of Diminishing Returns (10 minutes)</b><ul style="list-style-type: none"><li>-Define the Law of Diminishing Returns: As additional units of a variable input (e.g., labor) are added to a fixed input (e.g., machinery), the marginal product of the variable input eventually decreases.</li><li>-Explain the three stages of production:<ol style="list-style-type: none"><li>1. Increasing Returns: Each additional unit of input increases total output at an increasing rate.</li><li>2. Diminishing Returns: Each additional unit of input increases total output at a decreasing rate.</li><li>3. Negative Returns: Each additional unit of input decreases total output.</li></ol></li></ul></li><li><b>C. Relationship Between Total, Marginal, and Average Products (5 Mins)</b><ul style="list-style-type: none"><li>-Explain Total Product (TP): The total quantity of output produced</li><li>-Explain Marginal Product (MP): The additional output produced by adding one more unit of a variable input.</li><li>-Explain Average Product (AP): The output produced per unit of variable input.</li></ul></li></ol></li></ol>



	<p>-Illustrate these concepts with graphs showing how TP, MP, and AP change as more units of labor are added.</p> <p>D. Implications for Business Decision-Making (5 minutes)</p> <p>-Discuss how businesses use the Short Run Law of Production to make decisions about hiring labor, utilizing capital, and optimizing production.</p> <p>-Provide examples of industries where understanding diminishing returns is crucial (e.g., agriculture, manufacturing).</p> <p>Exercise(5 mins)</p> <p>Present a scenario where a company is deciding how many workers to hire for a fixed number of machines.</p> <p>Ask students to identify when the company should stop hiring more workers based on the Law of Diminishing Returns.</p> <p>Discuss their responses and link them to the concepts of marginal product and diminishing returns.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How does the Law of Diminishing Returns influence a company's production decisions in the short run?</li><li>b) Can you think of a situation outside of production where diminishing returns might apply? How would you address it?</li><li>c) Reflect on the importance of understanding the short-run production function for effective business management.</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 13</b>	<b>Course Name: Managerial Economics Topic: Long Run Law of Production</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Define the long run in production and how it differs from the short run.</li> <li>Explain the concept of returns to scale and its types.</li> <li>Understand economies of scale and diseconomies of scale.</li> <li>Analyze the implications of returns to scale on production and cost decisions.</li> <li>Apply the concepts of the Long Run Law of Production to real-world business growth strategies.</li> </ol>
<b>Teaching Aids (if any)</b>	<ol style="list-style-type: none"> <li>PPT</li> <li>Google Form Quiz</li> </ol>
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li><b>Introduction (5 minutes)</b> <ul style="list-style-type: none"> <li>Start with a question: "How do businesses plan for expansion and growth in the long run?"</li> <li>Introduce the concept of the long run as a period where all inputs are variable, allowing firms to adjust their scale of production.</li> <li>Highlight the importance of understanding long-run production for strategic business planning.</li> </ul> </li> <li><b>Development (30 minutes)</b> <ol style="list-style-type: none"> <li><b>Definition of the Long Run in Production (5 minutes)</b> <ul style="list-style-type: none"> <li>Define the long run as a period in which all factors of production (e.g., labor, capital) are variable, allowing firms to alter their production capacity.</li> <li>Discuss the difference between the short run and long run in production.</li> </ul> </li> <li><b>Returns to Scale (10 minutes)</b> <ul style="list-style-type: none"> <li>Define returns to scale as the relationship between the proportionate increase in inputs and the resulting proportionate increase in outputs.</li> <li>Explain the three types of returns to scale:               <ol style="list-style-type: none"> <li><b>Increasing Returns to Scale:</b> Output increases by a greater proportion than the increase in inputs.</li> <li><b>Constant Returns to Scale:</b> Output increases in the same proportion as the increase in inputs.</li> <li><b>Decreasing Returns to Scale:</b> Output increases by a smaller proportion than the increase in inputs.</li> </ol> </li> <li>Illustrate these concepts with examples and diagrams.</li> </ul> </li> <li><b>Economies of Scale and Diseconomies of Scale (05 minutes)</b> <ul style="list-style-type: none"> <li>Define economies of scale as the cost advantages that firms experience as their scale of operation increases, leading to a lower cost per unit of output.</li> <li>Discuss the sources of economies of scale, such as technical, managerial, financial, and marketing economies.</li> <li>Define diseconomies of scale as the disadvantages that firms may</li> </ul> </li> </ol> </li> </ol>



	<p>face as they grow too large, leading to higher per-unit costs. -Provide examples of industries where economies and diseconomies of scale are prevalent.</p> <p>D. Implications for Business Decision-Making (5 minutes)</p> <ul style="list-style-type: none"><li>• Discuss how understanding the Long Run Law of Production helps businesses make decisions about expansion, scaling operations, and optimizing production costs.</li><li>• Provide a real-world example of a company that successfully scaled its operations and achieved economies of scale.</li></ul> <p>Exercise (5 Mins) Summarize- Ask few of the students to summarize the concept learnt in class.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young</li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How do returns to scale influence a company's decision to expand its operations in the long run?</li><li>b) Reflect on the importance of understanding long-run production concepts for effective business management and planning.</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 14</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Isoquants</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Define an isoquant and understand its significance in production theory.</li> <li>Explain the properties and shape of isoquants.</li> <li>Differentiate between isoquants and indifference curves.</li> <li>Analyze the Marginal Rate of Technical Substitution (MRTS) and its implications.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li><b>Introduction</b> (5 minutes)           <ul style="list-style-type: none"> <li>- Start with a question: "How do firms decide the combination of inputs (like labor and capital) to produce a certain level of output?"</li> <li>-Introduce isoquants as curves that represent all the possible combinations of two inputs that produce the same level of output.</li> <li>-Explain that isoquants are similar to indifference curves in consumer theory, but they are used in the context of production</li> </ul> </li> <li><b>Development</b> (30 minutes)           <ol style="list-style-type: none"> <li><b>Definition and Properties of Isoquants</b> (15 minutes)               <ul style="list-style-type: none"> <li>-Define an isoquant as a curve that shows all the combinations of two inputs that yield the same level of output.</li> <li>-Explain the key properties of isoquants:                   <ol style="list-style-type: none"> <li><b>Downward Sloping:</b> As one input increases, the other must decrease to maintain the same level of output.</li> <li><b>Convex to the Origin:</b> Reflects diminishing Marginal Rate of Technical Substitution (MRTS).</li> <li><b>Non-Intersecting:</b> Isoquants for different levels of output cannot cross each other.</li> </ol> </li> <li>-Illustrate these properties with diagrams.</li> </ul> </li> <li><b>Difference Between Isoquants and Indifference Curves</b> <ul style="list-style-type: none"> <li>-Explain that while isoquants are used in production theory to show combinations of inputs, indifference curves are used in consumer theory to show combinations of goods that give the same level of utility.</li> <li>-Highlight the similarity in shape and interpretation but stress the difference in context (production vs. consumption).</li> </ul> </li> <li><b>Marginal Rate of Technical Substitution (MRTS)</b> (05 minutes)               <ul style="list-style-type: none"> <li>-Define MRTS as the rate at which one input can be substituted for another while keeping the output constant.</li> <li>-Explain how MRTS is calculated as the slope of the isoquant at any point.</li> <li>-Discuss the concept of diminishing MRTS: as more of one input is used, the amount of the other input that can be substituted</li> </ul> </li> </ol> </li> </ol>



	<p>decreases.</p> <p>-Provide a graphical illustration showing how MRTS changes along an isoquant.</p> <p>D. Practical Application of Isoquants (5 minutes)</p> <p>-Discuss how businesses use isoquants to determine the most efficient combination of inputs for production.</p> <p>-Provide a real-world example of a company optimizing its input use by analyzing isoquants, such as minimizing costs or maximizing output.</p> <p>Exercise (5 Mins):</p> <p>Google Form Quiz:</p> <p><a href="https://docs.google.com/forms/d/1i9OaLkPOs_mFmnIMIj798-lIcGWSwiJEd4AHbNxAJmI/edit">https://docs.google.com/forms/d/1i9OaLkPOs_mFmnIMIj798-lIcGWSwiJEd4AHbNxAJmI/edit</a></p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a. How does understanding isoquants help businesses in making efficient production decisions?</li><li>b. In what ways might the shape of an isoquant affect a firm's decision to substitute one input for another?</li><li>c. Reflect on a situation where a firm might prefer a higher MRTS. How would this influence their production strategy?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 15</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Accounting Concepts</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Define key accounting concepts and principles relevant to economics.</li> <li>Explain the role of accounting in economic analysis and decision-making.</li> <li>Differentiate between accounting profit and economic profit.</li> <li>Apply accounting concepts to evaluate business performance and economic health.</li> <li>Understand the importance of accurate financial reporting for economic analysis.</li> </ol>
<b>Teaching Aids (if any)</b>	<ol style="list-style-type: none"> <li>PPT</li> <li>Video</li> </ol>
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>Introduction (5 minutes)           <ul style="list-style-type: none"> <li>-Ask question: "Why is it important for economists and businesses to understand accounting principles?"</li> <li>-Discuss the connection between accounting and economics, emphasizing how accounting provides the data and structure needed for economic analysis and decision-making.</li> <li>-Briefly introduce key accounting concepts like profit, revenue, costs, and the role of financial statements.</li> </ul> </li> <li>Development (30 minutes)           <ol style="list-style-type: none"> <li>Key Accounting Concepts (10 minutes)               <p>Define and explain the following key accounting concepts:</p> <ol style="list-style-type: none"> <li>Revenue Recognition Principle: Revenue is recognized when earned, regardless of when cash is received.</li> <li>Matching Principle: Expenses are matched with the revenues they generate in the same period.</li> <li>Accrual Accounting: Recognizing economic events regardless of when cash transactions occur.</li> <li>Consistency Principle: Applying the same accounting methods over time for comparability.</li> <li>Conservatism Principle: Being cautious in reporting income and expenses, avoiding overstatement.</li> </ol> </li> <li>Accounting Profit vs. Economic Profit (10 minutes)               <p>Define Accounting Profit as the difference between total revenue and explicit costs (costs that involve direct monetary payment). Define Economic Profit as the difference between total revenue and total costs, including both explicit and implicit costs (opportunity costs). Discuss why economic profit is a more comprehensive measure of profitability and decision-making. Illustrate with examples: a company might show accounting profit but have zero or negative economic profit due to high opportunity</p> </li> </ol> </li> </ol>



	<p>costs.</p> <p>C. Role of Accounting in Economic Decision-Making (05 mins minutes)</p> <p>Discuss how accounting data is used by businesses and economists to make decisions about resource allocation, investment, and production.</p> <p>Explain how financial statements (income statement, balance sheet, cash flow statement) provide critical information for assessing economic health.</p> <p>Provide an example of how a company uses accounting data to make decisions, such as whether to expand operations or invest in new technology.</p> <p>D. Watch YouTube Video</p> <p><a href="https://youtu.be/VPA6gu1pgDw?si=f-sxBFYVB9yIUc-f">https://youtu.be/VPA6gu1pgDw?si=f-sxBFYVB9yIUc-f</a></p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How do accounting concepts like revenue recognition and matching principles affect the way a company's economic performance is measured?</li><li>b) Why might a company be profitable from an accounting perspective but not from an economic perspective?</li><li>c) Reflect on the importance of considering both explicit and implicit costs when making business decisions.</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 16</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Analytical Cost Concepts</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ul style="list-style-type: none"><li>a. Define and differentiate between fixed, variable, and total costs.</li><li>b. Explain the concepts of marginal cost and average cost.</li><li>c. Analyze how these cost concepts are used in decision-making for production and pricing.</li><li>d. Understand the cost-output relationship and economies of scale.</li><li>e. Apply analytical cost concepts to real-world business scenarios to optimize production and pricing strategies.</li></ul>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li>1. Introduction (5 minutes)<ul style="list-style-type: none"><li>-Start with a question: "Why is it crucial for businesses to understand their costs when making decisions?"</li><li>- Briefly introduce the various types of costs (fixed, variable, total) and their relevance in economics.</li><li>- Explain that understanding these costs helps businesses determine pricing, production levels, and profitability.</li></ul></li><li>2. Development (30 minutes)<ol style="list-style-type: none"><li>A. Fixed and Variable Costs (10 minutes)<ul style="list-style-type: none"><li>-Fixed Costs: Costs that do not change with the level of output (e.g., rent, salaries).</li><li>-Variable Costs: Costs that vary directly with the level of production (e.g., raw materials, labor).</li><li>-Total Costs: The sum of fixed and variable costs.</li><li>-Provide examples of each type of cost in a business setting.</li><li>-Discuss the relevance of fixed and variable costs in short-run and long-run decision-making.</li></ul></li><li>B. Marginal Cost and Average Cost (10 minutes)<ul style="list-style-type: none"><li>-Marginal Cost (MC): The additional cost of producing one more unit of output.</li><li>-Average Cost (AC): The total cost divided by the number of units produced.</li><li>-Explain the relationship between marginal cost and average cost, emphasizing the concept of economies of scale.</li><li>-Illustrate with diagrams showing how marginal cost intersects with average cost at the lowest point of the average cost curve.</li><li>-Discuss the implications of marginal cost for pricing decisions and profit maximization.</li></ul></li><li>C. Cost-Output Relationship and Economies of Scale (05 minutes)<ul style="list-style-type: none"><li>-Explain how costs behave with changes in output, focusing on the concept of economies of scale.</li></ul></li></ol></li></ol>



	<p>-Economies of Scale: The cost advantages that a business obtains due to expansion.</p> <p>-Diseconomies of Scale: The point where further production increases lead to higher per-unit costs.</p> <p>-Discuss the significance of understanding the cost-output relationship for long-term business planning.</p> <p>-Provide real-world examples of companies that have benefited from economies of scale and those that have experienced diseconomies of scale.</p> <p>Exercise (5 mins)</p> <p>Present a scenario where a company must decide whether to increase production.</p> <p>Ask students to calculate the marginal cost of additional units and determine whether the company should produce more based on cost analysis.</p> <p>Discuss their responses, focusing on how marginal and average costs influence production decisions.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Homework:</p> <p>Research a business and analyze its cost structure. Identify its fixed, variable, and total costs, and discuss how these influence its pricing and production strategies.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How does understanding fixed and variable costs help businesses make decisions about scaling production?</li><li>b) In what ways do marginal and average costs impact a company's pricing strategy?</li><li>c) Reflect on the concept of economies of scale. How can businesses use this understanding to gain a competitive advantage?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 17</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Economies of Scale</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"><li>Define economies of scale and explain the different types.</li><li>Understand the relationship between economies of scale and cost reduction.</li><li>Analyze how businesses achieve economies of scale and the challenges they might face.</li><li>Differentiate between economies of scale and diseconomies of scale.</li><li>Apply the concept of economies of scale to real-world business strategies.</li></ol>
<b>Teaching Aids (if any)</b>	<ol style="list-style-type: none"><li>PPT</li><li>Video</li></ol>
<b>Teaching Development</b>	<ol style="list-style-type: none"><li>Introduction (5 minutes) Ask with a question: "Why do larger companies often have lower costs per unit than smaller companies?" Introduce economies of scale as the cost advantages that enterprises obtain due to their scale of operation, with cost per unit of output decreasing as scale increases. Briefly explain how economies of scale can lead to competitive advantages in the market.</li><li>Development (30 minutes)<ol style="list-style-type: none"><li>Definition and Types of Economies of Scale (10 minutes)<ul style="list-style-type: none"><li>-Internal Economies of Scale: Cost savings that result from the company's own expansion.<ul style="list-style-type: none"><li>-Technical Economies: Gained through large-scale production methods.</li><li>-Managerial Economies: Efficiency improvements through specialized management.</li><li>-Financial Economies: Access to lower interest rates due to creditworthiness.</li><li>-Marketing Economies: Bulk buying and advertising cost reductions.</li><li>-Network Economies: Benefits from a large customer or user base.</li></ul></li><li>External Economies of Scale: Cost savings that accrue to all firms in an industry as the industry grows.<ul style="list-style-type: none"><li>-Infrastructure Development: Improved transportation or communication facilities.</li><li>-Skilled Labor Availability: Access to a large pool of skilled labor in an industry hub.</li></ul></li></ul>Provide real-world examples for each type, such as large-scale factories (technical) or access to capital markets (financial).</li><li>Cost Reduction and Competitive Advantage (05 minutes)</li></ol></li></ol>



	<ul style="list-style-type: none"><li>-Discuss how economies of scale lead to lower average costs and how this can translate into pricing power or higher profit margins.</li><li>-Illustrate with a diagram showing the downward-sloping long-run average cost curve as output increases.</li><li>-Explain how businesses can use economies of scale to achieve a cost leadership strategy.</li><li>-Provide examples of companies that have successfully leveraged economies of scale, such as Walmart or Amazon.</li></ul> <p><b>C. Diseconomies of Scale (5 minutes)</b></p> <ul style="list-style-type: none"><li>-Define Diseconomies of Scale: The point at which increased production leads to higher per-unit costs.</li><li>-Discuss the causes of diseconomies of scale, such as management inefficiencies, communication problems, or over-complexity.</li><li>-Explain how businesses need to balance growth to avoid the pitfalls of diseconomies of scale.</li><li>-Illustrate with examples of companies that faced challenges due to growing too large, such as Nokia in the late 2000s.</li></ul> <p><b>D. Achieving Economies of Scale (5 minutes)</b></p> <ul style="list-style-type: none"><li>-Discuss strategies that businesses use to achieve economies of scale, such as expanding production capacity, investing in technology, or mergers and acquisitions.</li><li>-Highlight the importance of planning and careful management to maximize the benefits of economies of scale.</li><li>-Provide examples of industries where economies of scale are particularly significant, such as automobile manufacturing or telecommunications.</li></ul> <p>Exercise (5 mins): <a href="https://youtu.be/rYvzM_tayY4?si=kV0vU5PY2wSDihvV">https://youtu.be/rYvzM_tayY4?si=kV0vU5PY2wSDihvV</a> Ask questions based on Video</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How do economies of scale influence the competitive dynamics of an industry?</li><li>b) What are the potential risks for a company that grows too quickly in pursuit of economies of scale?</li><li>c) Reflect on a situation where a small company might compete effectively against larger companies despite not having economies of scale. How could this be possible?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 18</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Economies of Scope</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"><li>Define economies of scope and differentiate them from economies of scale.</li><li>Explain how economies of scope are achieved and their impact on cost structures.</li><li>Analyze the advantages of pursuing a strategy of diversification in terms of economies of scope.</li><li>Apply the concept of economies of scope to real-world business scenarios.</li><li>Understand the limitations and challenges associated with achieving economies of scope.</li></ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li>Introduction (5 minutes)<ul style="list-style-type: none"><li>-Start with a question: "How can a company benefit from producing a variety of products instead of focusing on just one?"</li><li>-Introduce economies of scope as the cost advantages that a business gains by producing a range of products together rather than separately.</li><li>-Briefly explain how economies of scope differ from economies of scale.</li></ul></li><li>Development (30 minutes)<ol style="list-style-type: none"><li>Definition and Characteristics of Economies of Scope (10 minutes)<ul style="list-style-type: none"><li>-Definition: Economies of scope occur when a company can produce multiple products more cost-effectively together than separately.</li><li>-Characteristics:<ol style="list-style-type: none"><li>Shared Resources: Utilization of common resources across different products, such as production facilities, marketing channels, or R&amp;D.</li><li>Cost Reduction: Reduction in average costs due to the efficiency of producing multiple products.</li><li>Synergies: Benefits from the synergy between different products or services, such as cross-selling opportunities.</li></ol></li><li>-Provide examples of companies that achieve economies of scope, such as a conglomerate like Procter &amp; Gamble, which produces a diverse range of consumer goods.</li></ul></li><li>Economies of Scope vs. Economies of Scale (10 minutes)<ul style="list-style-type: none"><li>-Economies of Scale: Cost advantages gained through increasing production volume of a single product.</li><li>-Economies of Scope: Cost advantages gained through producing multiple products or services.</li><li>-Discuss the differences in cost structure and strategy between</li></ul></li></ol></li></ol>



	<p>economies of scale and economies of scope. -Provide diagrams illustrating the cost benefits of economies of scope versus economies of scale.</p> <p><b>C. Strategic Implications and Examples (10 minutes)</b> -Diversification Strategy: How businesses use economies of scope to diversify their product lines and reduce risk. -Cross-Subsidization: Using profits from one product to support the production or marketing of another. -Real-World Examples: <ul style="list-style-type: none"> <li>o Amazon: Leveraging its logistics network to offer a wide range of products efficiently.</li> <li>o Disney: Combining its media production with theme parks and merchandise to benefit from synergies.</li> </ul> </p> <p>-Discuss the strategic advantages of achieving economies of scope, such as enhanced market presence and reduced risk.</p> <p><b>D. Challenges and Limitations (5 minutes)</b> -Complexity: Increased operational complexity when managing diverse product lines. -Coordination Costs: Costs associated with integrating and managing different business units or product lines. -Market Demand: Risks related to changes in market demand for one or more of the products. -Discuss examples of companies that struggled with achieving economies of scope due to these challenges.</p> <p><b>Exercise (5 mins):</b> Present a case study of a company that has diversified its product offerings. Ask students to identify the potential economies of scope achieved and analyze the benefits and challenges faced by the company. Discuss their responses, focusing on how economies of scope can impact business strategy.</p>
<b>Closure</b>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> </ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. <ol style="list-style-type: none"> <li>a) How can economies of scope provide a competitive advantage for businesses in a diverse market?</li> <li>b) What are the potential risks associated with pursuing a strategy of diversification to achieve economies of scope?</li> </ol> </li> </ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 19</b>	<b>Course Name: Managerial Economics Topic: Numerical on Demand and Production Function</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>a. To apply the concept of demand analysis for solving practical numerical problems.</li> <li>b. Apply the production concepts to calculate the optimum output and profit.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>1. <b>Introduction</b> (5 minutes) Ask Questions           <ul style="list-style-type: none"> <li>- What is Demand, Elasticity of Demand</li> <li>- Condition for Profit Maximisation</li> </ul> </li> <li>2. <b>Development</b> (30 minutes) Recapitulate the concept of Demand, Elasticity of Demand           <ol style="list-style-type: none"> <li>b. Recapitulate the concept of Production and conditions for optimum output.</li> <li>c. Discuss the basic formulas of Integration and Elasticity concept.</li> <li>d. Discuss Numerical on Demand</li> <li>e. Discuss the numerical on Production concept</li> <li>f. Give practice numerical in class to solve.</li> </ol> </li> </ol> <p><b>Exercise (5 mins):</b> Students will be given a small practical problem on which each group will be asked to present the solution</p>
<b>Closure</b>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading           <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> </ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. Students will be asked to solve a Numerical based on the ones discussed in the class.</li> </ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 19</b>	<b>Course Name: Managerial Economics Topic: Case Study- NETFLIX</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a. the competitive dynamics and possible strategic choices for the company to address multiple challenges; · b. the strategies already adopted by Netflix and whether the chosen subscription-based business model in India has the potential to take on the existing competition in the SVoD industry. c the sustainability of the subscription model. d. the vast diversity in terms of language, culture, and socioeconomic conditions in the Indian market· e. the impact of other hurdles like competitors, censorship, and a lack of infrastructure on growth potential; and f· the application of various models such as Porter’s five forces, SWOT, VRIO, and PESTEL to plan a strategy for the company to penetrate the Indian market.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li><b>1. Introduction (5 minutes)</b> Ask Questions - What is Demand, Elasticity of Demand - Condition for Profit Maximisation</li><li><b>2. Development (30 minutes)</b> How should Netflix analyse differences or distances between India and its other markets while crafting strategies for the Indian market and consumer? (CAGE model) 2. 2. Analyse the macro-environmental factors affecting Netflix in India to ascertain the best strategies for the company. (PESTEL analysis) 3. 3. Analyse the level of competitiveness in the industry in India using Porter’s five forces model 4 4. Conduct a SWOT analysis of the business model adopted by Netflix in the Indian market.\</li><li>5. Evaluate and assess the resources and capabilities of Netflix using the VRIO framework.</li><li>6. What strategies should Netflix follow in order to succeed in the Indian market?</li></ol>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Discuss the Questions from the Case</li><li>3. Suggested Reading Ja Barney and Patricia Gorman Clifford, “A Valuable Chain: Real World Strategies for Analyzing the Value Chain, Applying the</li></ol>



	<p>VRIO Framework (Resource Based View), and Recognizing Core Competencies,” in What I Didn’t Learn in Business School: How Strategy Works in the Real World (October 2010): 1–18.</p> <p>Erin Anderson and Hubert Gatignon, “Firms and the Creation of New Markets,” in Handbook of New Institutional Economics, ed. Claude Ménard and Mary M. Shirley (Springer: Heidelberg, Germany, 2005): 401–431.</p> <p>Pankaj Ghemawat, “Managing Differences: The Central Challenge of Global Strategy,” Harvard Business Review 85, no. 3 (2007): 58–68. Available from Ivey Publishing, product no. R0703C.</p> <p>Michael E. Porter, “How Competitive Forces Shape Strategy,” Harvard Business Review (March 1979): 21–38, accessed September 14, 2016, <a href="https://hbr.org/1979/03/how-competitive-forces-shape-strategy">https://hbr.org/1979/03/how-competitive-forces-shape-strategy</a>.</p> <p>Edward Giesen, Eric Riddleberger, Richard Christner, and Ragna Bell, “When and How to Innovate Your Business Model,” Strategy &amp; Leadership 38, no. 4 (2010): 17–26.</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. Students will be asked to solve a Numerical based on the ones discussed in the class.</li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 21</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Market Structure</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a. Define different types of market structures. b. Understand the characteristics of each market structure. c. Analyze real-world examples of firms operating within various market structures. d. Evaluate the implications of different market structures on competition and pricing.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<p>1. <b>Introduction</b> (5 minutes) Ask questions. 1. Have you ever wondered why some companies have more control over prices than others?" - Introduce the concept of market structures by explaining that different industries operate under different conditions and rules. - Explain that market structures refer to the competitive environment in which firms operate.</p> <p>2. <b>Development</b> (30 minutes) <b>A) Discuss the four primary types of market structures:</b> <b>Perfect Competition (10 mins)</b> Many buyers and sellers with identical products and no firm has the power to influence prices. Monopolistic Competition: Many firms selling differentiated products with some control over prices due to product differentiation. Oligopoly: Few large firms dominating the market, leading to interdependence and strategic decision-making. Monopoly: Single seller dominating the market, controlling prices and quantities.</p> <p><b>B) Explain the characteristics of each market structure (15 mins)</b> - Number of firms, type of products, entry barriers, control over price, and non-price competition. - Provide real-world examples for each market structure: Perfect Competition: Agriculture markets or some stock markets. Monopolistic Competition: Fast-food chains or clothing brands. Oligopoly: Automobile, smartphone, or airline industries. Monopoly: Local utility companies or patent-holding pharmaceutical firms.</p> <p><b>Exercise (5 mins):</b> Divide students into groups. - Assign each group a market structure and ask them to research and create a poster or presentation explaining:</p>



	<p>-Characteristics of the assigned market structure. Examples of companies or industries operating within that structure.</p> <p>- Implications of that market structure on competition and pricing Present a case study of a company that has diversified its product offerings.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How do different market structures impact pricing strategies?</li><li>b) In what ways do market structures influence consumer choice and market efficiency?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 22</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Perfect Competition Market</b> <b>Structure- Short Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ul style="list-style-type: none"> <li>a. Understand the characteristics of perfect competition.</li> <li>b. Explain how firms operating in perfect competition determine their prices.</li> <li>c. Analyse the impact of changes in demand and supply on prices in a perfectly competitive market.</li> <li>d. Evaluate the short-run equilibrium in perfect competition.</li> </ul>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>1. <b>Introduction</b> (5 minutes) Begin the lesson by revisiting the concept of perfect competition introduced previously in the market structures lesson. -Ask students to recall the characteristics of perfect competition (e.g., many buyers and sellers, identical products, ease of entry and exit). -Briefly discuss the nature of price determination in markets with perfect competition.</li> <li>2. <b>Development</b> (30 minutes) -Explain the concept of price determination under perfect competition: -Firms in perfect competition are price-takers, meaning they accept the market-determined price. -Demand curve faced by the firm is perfectly elastic at the market price. -Firms aim to maximize profit by producing at the quantity where marginal cost equals the market price. - Discuss the short-run equilibrium: -In the short run, firms can make economic profit, incur losses, or break even. Exercise (10 mins): Provide a scenario or graph depicting a perfectly competitive market. -Ask students to identify and explain the short-run and long-run equilibrium conditions for firms in perfect competition. Encourage them to discuss what happens to prices and profits in the short run.</li> </ol>
<b>Closure</b>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading - Managerial Economics by Paul Keat and Philip K.Y. Young</li> <li>3. Homework</li> </ol>



	<p>Identify a real-world industry or market that closely resembles perfect competition (e.g., agriculture, certain financial markets). Describe how prices are set in this market and the factors that influence supply and demand.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a. Conduct a brief quiz or discussion to assess students' understanding of price determination in perfect competition.</li><li>b. Evaluate their ability to explain short-run equilibrium conditions in perfectly competitive markets.</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 23</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Perfect Competition Market</b> <b>Structure- Long Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>a) Explain the concept of long-run equilibrium in a perfectly competitive market.</li> <li>b) Understand the adjustment process for firms and market supply in the long run.</li> <li>c) Analyze how firms reach and maintain long-run equilibrium.</li> <li>d) Illustrate the conditions under which firms make normal profit in the long run.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>1. Introduction (5 minutes)           <ul style="list-style-type: none"> <li>-Start with a question: "How do firms in a perfectly competitive market adjust their production and pricing in the long run?"</li> <li>-Briefly recap the characteristics of a perfectly competitive market and the difference between short-run and long-run analysis.</li> <li>- Introduce the focus of the lesson on long-run price and output determination.</li> </ul> </li> <li>2. Development (30 minutes)           <ol style="list-style-type: none"> <li>A. Long-Run Equilibrium (10 minutes)               <ul style="list-style-type: none"> <li>-Definition: Explain that in the long run, firms in a perfectly competitive market will operate at a point where they make normal profit (zero economic profit).</li> <li>-Diagram: Illustrate the long-run equilibrium using a supply and demand graph, showing the intersection of the long-run supply curve and the market demand curve.</li> <li>-Conditions for Long-Run Equilibrium:                   <ol style="list-style-type: none"> <li>i. Firms produce where marginal cost (MC) equals marginal revenue (MR) and average total cost (ATC).</li> <li>ii. The market reaches equilibrium when the quantity demanded equals the quantity supplied, and firms earn zero economic profit.</li> </ol> </li> <li>-Explanation: Discuss why firms make zero economic profit in the long run and how this results from the entry and exit of firms in the market.</li> </ul> </li> <li>B. Adjustment Process (10 minutes)               <p>Short-Run to Long-Run Adjustment:</p> <ol style="list-style-type: none"> <li>iii. Economic Profits: If firms are making economic profits in the short run, new firms enter the market, increasing supply and reducing prices until profits are zero.</li> <li>iv. Economic Losses: If firms are making losses, some</li> </ol> </li> </ol> </li> </ol>



	<p>firms exit the market, decreasing supply and increasing prices until remaining firms make normal profit.</p> <p>Diagram: Show the shift in the supply curve and the resulting changes in price and output in the long run. Real-World Example: Use an example such as the agricultural market to illustrate how the market adjusts over time.</p> <p><b>C. Long-Run Cost Curves (10 minutes)</b></p> <ul style="list-style-type: none"> <li>b. Economies and Diseconomies of Scale: Discuss how firms might experience economies or diseconomies of scale in the long run, affecting their cost structures.</li> <li>c. Long-Run Average Cost Curve (LRAC): Explain how the LRAC curve represents the lowest possible cost of producing each level of output in the long run.</li> <li>d. Diagram: Show the U-shaped LRAC curve and its relationship with the short-run average cost curves.</li> <li>e. Explanation: Discuss how firms adjust their production scale to minimize costs and achieve long-run equilibrium.</li> </ul> <p><b>D. Implications and Applications (5 minutes)</b></p> <ul style="list-style-type: none"> <li>f. Normal Profit and Efficiency: Explain the concept of normal profit as the opportunity cost of using resources in a perfectly competitive market and how it leads to allocative and productive efficiency.</li> <li>g. Business Strategy: Discuss how understanding long-run equilibrium helps firms in strategic planning and decision-making.</li> </ul> <p>Exercise (10 mins) Present a hypothetical scenario where firms in a perfectly competitive market are experiencing economic profits or losses. □ Ask students to analyze the adjustment process, including how new firms entering or existing firms exiting will affect market price and output. Discuss their responses, focusing on the shift in supply, changes in equilibrium price, and the adjustment to zero economic profit.</p>
<b>Closure</b>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> </ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. How does the concept of long-run equilibrium in a perfectly competitive market differ from short-run equilibrium? Spend 5 minutes to evaluate student assimilation of the lesson contents</li> </ol>



<b>Lesson Plan No. 24</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Monopolistic Competition Market</b> <b>Structure- Short Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Describe the characteristics of a monopolistically competitive market. b) Explain how firms in monopolistic competition determine their pricing and output in the short run. c) Analyze the concepts of demand curve, marginal revenue, and profit maximization in this market structure. d) Illustrate the short-run equilibrium using graphical representations. e) Discuss the implications of short-run profit or loss for firms in monopolistic competition.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li><b>Introduction (5 minutes)</b> -Start with a question: "How do firms in monopolistic competition decide on their prices and output levels?" -Introduce the key characteristics of monopolistic competition: product differentiation, many firms, and some degree of market power. -Explain that the focus will be on understanding how firms operate in the short run.</li><li><b>Development (30 minutes)</b><ol style="list-style-type: none"><li><b>Characteristics of Monopolistic Competition (5 minutes)</b> Definition: Describe monopolistic competition as a market structure where many firms sell products that are similar but not identical. Features: Product differentiation, many sellers, some degree of control over price, and ease of entry and exit. Diagram: Show a basic demand curve for a firm in monopolistic competition.</li><li><b>Short-Run Pricing and Output Determination (5 minutes)</b> Demand Curve: Explain that each firm faces a downward-sloping demand curve due to product differentiation. Marginal Revenue (MR) Curve: Explain the concept of MR and how it differs from the demand curve. In monopolistic competition, the MR curve lies below the demand curve. Profit Maximization: Describe how firms maximize profit by producing where <math>MR = MC</math> (Marginal Cost). Explain how this leads to determining the optimal output level and corresponding price. Diagram: Illustrate the short-run equilibrium showing the demand curve, MR curve, MC curve, and ATC (Average Total Cost) curve.</li><li><b>Short-Run Equilibrium and Profit/Loss Analysis (10 minutes)</b></li></ol></li></ol>



	<p>Equilibrium: Show the equilibrium point where <math>MR = MC</math> and determine the price from the demand curve.</p> <p>Profit or Loss: Discuss scenarios where firms may earn profits or incur losses. Show how the distance between the price and ATC at the equilibrium output determines the level of profit or loss.</p> <p>Diagram: Provide diagrams showing profit (when the price is above ATC) and loss (when the price is below ATC) situations in the short run.</p> <p>D. Implications for Firms (5 minutes)</p> <p>Market Entry and Exit: Discuss how short-run profits or losses affect firm behavior and market dynamics. Explain that firms may enter or exit the market in response to these conditions.</p> <p>Example: Use a real-world example of a monopolistically competitive market, such as the restaurant industry, to illustrate how firms might adjust their prices and output</p> <p>Exercise (5 mins)</p> <ul style="list-style-type: none"> <li>-Present a scenario where a firm in a monopolistically competitive market is making a profit or incurring a loss.</li> <li>-Ask students to draw the demand, MR, MC, and ATC curves to show the firm's short-run equilibrium. Identify whether the firm is making a profit or loss and explain the implications for the firm's future decisions.</li> </ul>
<p><b>Closure</b></p>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading             <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> <li>3. Homework:             <p>Create a detailed diagram illustrating a short-run equilibrium for a firm in monopolistic competition. Show scenarios of both profit and loss and explain the adjustments that might occur in the market.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p> </li> </ol>
<p><b>Evaluation</b></p>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.             <ol style="list-style-type: none"> <li>a) How does the presence of product differentiation affect pricing and output decisions in monopolistic competition?</li> <li>b) What are the short-run implications of profit or loss for firms in monopolistic competition, and how might this impact their market behavior?</li> <li>c) Reflect on a situation where a firm in monopolistic competition faces challenges in maintaining its market position. How might changes in pricing or output affect its performance?</li> </ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p> </li> </ol>



<b>Lesson Plan No. 25</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Monopolistic Competition Market</b> <b>Structure- Long Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Explain the concept of long-run equilibrium in a monopolistically competitive market. b) Understand how the entry and exit of firms impact prices and output in the long run. c) Analyze how firms reach normal profit in the long run and the implications for market efficiency. d) Illustrate the adjustment process from short-run profit or loss to long-run equilibrium using graphical representations. e) Apply theoretical knowledge to real-world scenarios of long-run market behavior.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	1. Introduction (5 minutes) -Ask question What happens to firms in a monopolistically competitive market in the long run? -Recap the characteristics of monopolistic competition and the key points from the short-run analysis (e.g., profit maximization, short-run profit or loss). -Introduce the focus of the lesson on understanding how the market adjusts in the long run. 2. Development (30 minutes) A. Long-Run Equilibrium (10 minutes) -Definition: Explain that in the long run, firms in a monopolistically competitive market make normal profit (zero economic profit) due to the entry and exit of firms. -Entry and Exit of Firms: Discuss how short-run profits attract new firms into the market, increasing competition and reducing prices, while losses drive firms out, reducing competition and raising prices until firms make normal profit. -Diagram: Illustrate long-run equilibrium using a diagram showing the demand curve, MR curve, MC curve, and ATC curve where the price equals ATC and firms earn zero economic profit. B. Adjustment Process from Short Run to Long Run (10 minutes) Short-Run to Long-Run Adjustment: Economic Profits: Discuss how economic profits in the short run lead to new firms entering the market, increasing supply and driving down prices. Economic Losses: Explain how economic losses lead to firms exiting the market, decreasing supply, and raising prices. Normal Profit: Explain that in the long run, the process continues until firms earn normal profit, where the price equals the minimum



	<p>point on the ATC curve.</p> <p>Diagram: Show the shift in the demand curve and the resulting changes in equilibrium price and output as the market moves from the short run to the long run.</p> <p>C. Implications for Market Efficiency (5 minutes)</p> <p>Product Differentiation and Excess Capacity: Explain how product differentiation leads to firms operating with excess capacity in the long run, where output is less than the minimum efficient scale.</p> <p>Diagram: Show how firms produce at a level of output less than the point where the ATC curve is minimized.</p> <p>Market Efficiency: Discuss the implications of excess capacity and how it reflects a trade-off between variety for consumers and productive efficiency.</p> <p>D. Real-World Applications (5 minutes)</p> <p>Examples: Use real-world examples such as the retail or restaurant industry to illustrate how firms adjust their prices and output in the long run. Discuss how competition affects pricing and profitability in these markets.</p> <p>Critical Analysis: Encourage students to consider how firms in monopolistic competition balance the need for differentiation with the pressures of competition in the long run.</p> <p>Exercise (5 mins)</p> <p>Present a scenario where firms in a monopolistically competitive market are experiencing short-run profits or losses.</p> <p>Ask students to draw the demand, MR, MC, and ATC curves to show the firm's short-run equilibrium and the adjustment to long-run equilibrium. Identify the point where firms earn normal profit and explain the adjustment process.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li></ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) What factors cause the transition from short-run profit or loss to long-run equilibrium in monopolistic competition?</li><li>b) How does the concept of normal profit in the long run affect the behavior of firms in a monopolistically competitive market?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 26</b>	<b>Course Name: Managerial Economics Topic: Monopoly Competition Market Structure- Short Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Explain the characteristics of a monopoly and how they differ from other market structures.</li> <li>Understand how a monopolist determines the optimal price and output in the short run.</li> <li>Analyze the relationship between the demand curve, marginal revenue curve, and marginal cost curve in determining profit maximization.</li> <li>Illustrate the short-run equilibrium for a monopoly using graphical representations.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>Introduction (5 minutes) Ask question           <ol style="list-style-type: none"> <li>How does a firm with no competition decide on its prices and production levels?</li> <li>Briefly explain the key characteristics of a monopoly: single seller, no close substitutes, and high barriers to entry.</li> <li>Introduce the focus of the lesson on understanding how a monopolist sets prices and output in the short run.</li> </ol> </li> <li>Development (30 minutes)           <ol style="list-style-type: none"> <li>Characteristics of a Monopoly (5 minutes) Definition: Describe a monopoly as a market structure where a single firm is the sole producer of a good or service with no close substitutes. Market Power: Explain that a monopolist has significant control over the price due to the lack of competition. Demand Curve: Discuss how the demand curve for a monopolist is the market demand curve, which is downward sloping.</li> <li>Short-Run Pricing and Output Determination (10 minutes) Marginal Revenue (MR) Curve: Explain the concept of MR and how it is derived from the demand curve. In a monopoly, the MR curve lies below the demand curve because the monopolist must lower the price to sell additional units. Profit Maximization: Describe how a monopolist maximizes profit by producing where MR equals MC (Marginal Cost). The corresponding price is then determined by the demand curve. Diagram: Illustrate the short-run equilibrium for a monopolist with a graph showing the demand curve, MR curve, MC curve, and ATC (Average Total Cost) curve.</li> <li>Short-Run Profit or Loss (10 minutes) Profit: Discuss the conditions under which a monopolist makes a profit in the short run, showing that the price is above ATC at the</li> </ol> </li> </ol>



	<p>equilibrium output.</p> <p>Loss: Explain how a monopolist might incur a loss if the ATC is above the price at the equilibrium output, but unlike firms in competitive markets, a monopolist can continue operating in the short run even at a loss.</p> <p>Diagram: Provide diagrams showing both profit and loss situations for a monopolist in the short run.</p> <p>D. Implications for Consumers and Market Efficiency (5 minutes)</p> <p>Consumer Impact: Discuss how monopoly pricing leads to higher prices and lower output compared to competitive markets, potentially resulting in consumer welfare loss.</p> <p>Market Efficiency: Explain the concept of deadweight loss, where monopoly pricing results in a loss of allocative efficiency compared to perfect competition.</p> <p>Exercise (5 mins)</p> <p>Present a scenario where a monopolist is determining its short-run pricing and output levels.</p> <p>Ask students to draw the demand, MR, MC, and ATC curves to show the monopolist's short-run equilibrium. Identify whether the monopolist is making a profit or loss and discuss the implications for its pricing strategy.</p>
<p><b>Closure</b></p>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> <li>3. Homework <p>Research a real-world example of a monopoly (e.g., a utility company). Analyze how the monopolist determines its prices and output in the short run. Discuss any observed instances of profit or loss.</p> </li> </ol> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<p><b>Evaluation</b></p>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss. <ol style="list-style-type: none"> <li>a. How does the pricing power of a monopolist differ from that of a firm in a perfectly competitive market?</li> <li>b. What are the short-run implications of monopoly pricing for consumer welfare and market efficiency?</li> </ol> </li> </ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 27</b>	<b>Course Name: Managerial Economics Topic: Monopoly Competition Market Structure- Long Run</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"><li>Explain the characteristics of a monopoly and the implications.</li><li>Understand how a monopolist maximizes profit in the long run.</li><li>Analyze the relationship between cost curves and long-run equilibrium for a monopolist.</li><li>Illustrate the long-run equilibrium for a monopoly using graphical representations.</li></ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"><li>Introduction (5 minutes)<ul style="list-style-type: none"><li>-Start with a question: "How does a monopolist sustain its pricing and output decisions in the long run?"</li><li>-Recap the characteristics of a monopoly and the key points from the short-run analysis (e.g., profit maximization).</li><li>-Introduce the focus of the lesson on understanding how a monopolist operates in the long run.</li></ul></li><li>Development (30 minutes)<ol style="list-style-type: none"><li>Long-Run Equilibrium (10 minutes)<ul style="list-style-type: none"><li>-Definition: Explain that in the long run, a monopolist seeks to maximize profit by adjusting its output and pricing strategy based on cost structures and market demand.</li><li>-Cost Curves: Discuss the difference between short-run and long-run cost curves (i.e., the Long-Run Average Cost (LRAC) curve and Long-Run Marginal Cost (LRMC) curve).</li><li>-Diagram: Illustrate long-run equilibrium with a graph showing the LRAC, LRMC, and the demand curve where the monopolist sets output where LRMC equals MR (Marginal Revenue) and determines price based on the demand curve.</li></ul></li><li>Profit Maximization in the Long Run (10 minutes)<ul style="list-style-type: none"><li>Profit Maximization: Describe how a monopolist maximizes profit in the long run by producing at the output level where LRMC equals MR. The price is then set where this output level intersects the demand curve.</li><li>Normal Profit: Explain that unlike competitive markets, a monopolist can sustain economic profits in the long run due to high barriers to entry.</li><li>Diagram: Show how a monopolist continues to earn profits by maintaining its market power and controlling the market supply.</li></ul></li></ol></li></ol>



	<p>C. Implications for Market Efficiency and Consumer Welfare (5 minutes)</p> <p>Consumer Impact: Discuss the implications of monopoly pricing for consumers, including higher prices and reduced output compared to competitive markets.</p> <p>Deadweight Loss: Explain the concept of deadweight loss as a measure of market inefficiency caused by monopoly pricing. Show how the monopolist's price exceeds marginal cost, leading to allocative inefficiency.</p> <p>Diagram: Provide a diagram illustrating deadweight loss in a monopoly market.</p> <p>D. Real-World Applications (5 minutes)</p> <p>Examples: Use real-world examples, such as pharmaceutical companies with patent monopolies, to illustrate how monopolists sustain long-run profits and the effects on pricing and market efficiency.</p> <p>Critical Analysis: Encourage students to consider how government regulation (e.g., antitrust laws) can impact monopolies in the long run.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li><li>3. Homework</li></ol> <p>Create a detailed diagram illustrating the long-run equilibrium for a monopolist. Explain how the monopolist sustains economic profit and the conditions that allow for this outcome.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a. How does the absence of competition allow a monopolist to sustain profits in the long run?</li><li>b. What are the long-run implications of monopoly pricing for market efficiency and consumer welfare?</li><li>c. Reflect on the potential benefits and drawbacks of government intervention in monopolistic markets. How might regulation affect pricing and output decisions?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 28</b>	<b>Course Name: Managerial Economics Topic: Oligopoly Market Structure</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Describe the key characteristics of an oligopoly market structure.</li> <li>Understand how firms in an oligopoly make pricing and output decisions.</li> <li>Analyze the concept of interdependence among firms and how it influences market outcomes.</li> <li>Explain the role of collusion and cartels in oligopoly and the potential outcomes.</li> <li>Apply game theory to understand strategic behavior in an oligopoly.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>Introduction (5 minutes) Ask question What happens when only a few firms dominate a market? Briefly describe the key characteristics of an oligopoly: a few large firms, significant barriers to entry, and interdependence among firms. Introduce the focus of the lesson on understanding the behavior and strategies of firms in an oligopoly.</li> <li>Development (30 minutes)           <ol style="list-style-type: none"> <li>Characteristics of Oligopoly (5 minutes) Definition: Explain that an oligopoly is a market structure where a small number of firms have significant market power. Interdependence: Discuss how firms in an oligopoly are interdependent, meaning that the actions of one firm directly affect the others. Examples: Provide examples of oligopolistic markets, such as the automobile, airline, or telecommunications industries.</li> <li>Pricing and Output Decisions (10 minutes) Kinked Demand Curve: Introduce the kinked demand curve model, where firms expect competitors to match price decreases but not price increases. Diagram: Illustrate the kinked demand curve with a graph showing the kinked shape and how it leads to price rigidity in an oligopoly. Price Leadership: Explain the concept of price leadership, where one dominant firm sets the price, and others follow.</li> <li>Collusion and Cartels (5 minutes) Collusion: Discuss how firms in an oligopoly might collude to set prices and output levels, leading to higher profits. Cartels: Explain what cartels are and provide examples, such as OPEC in the oil industry. Legal Implications: Briefly touch on the legal issues related to</li> </ol> </li> </ol>



	<p>collusion and how governments regulate against anti-competitive behavior.</p> <p>D. Game Theory and Strategic Behavior (5 minutes)</p> <p>Game Theory: Introduce game theory as a tool to analyze strategic interactions among firms in an oligopoly.</p> <p>Prisoner's Dilemma: Explain the prisoner's dilemma and how it applies to firms deciding whether to compete or collude.</p> <p>Payoff Matrix: Provide a payoff matrix to illustrate possible outcomes for firms in an oligopoly.</p> <p>Nash Equilibrium: Discuss the concept of Nash equilibrium and how firms might settle on a stable outcome where no one has an incentive to deviate.</p> <p>Exercise:</p> <p>Real-World Applications (5 minutes)</p> <p>Examples: Discuss real-world examples where game theory and strategic behavior are evident in oligopolistic markets.</p> <p>Critical Analysis: Encourage students to think about how oligopolies impact consumers, prices, and market efficiency</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li><li>3. Homework</li></ol> <p>Research a real-world oligopoly (e.g., the smartphone industry). Analyze the pricing strategies of the dominant firms and how they interact with each other.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.<ol style="list-style-type: none"><li>a) How does the interdependence of firms in an oligopoly influence their pricing and output decisions?</li><li>b) What are the potential benefits and drawbacks of collusion for firms in an oligopoly?</li><li>c) Reflect on how game theory helps us understand strategic behavior in oligopolistic markets. How does it apply to real-world scenarios?</li></ol></li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>



<b>Lesson Plan No. 29</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Sweezy Kinked Demand Model of Oligopoly</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: <ol style="list-style-type: none"> <li>Explain the key assumptions of the Sweezy Kinked Demand Model.</li> <li>Understand how the model illustrates price rigidity in oligopoly.</li> <li>Analyze the implications of the kinked demand curve for pricing and output decisions.</li> <li>Illustrate the kinked demand curve with a diagram and identify the equilibrium point.</li> <li>Discuss the limitations and criticisms of the Sweezy Kinked Demand Model.</li> </ol>
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	<ol style="list-style-type: none"> <li>Introduction (5 minutes)           <p>Ask question: Why do prices often remain stable in markets dominated by a few firms, even when costs change? Briefly describe the characteristics of an oligopoly and introduce the Sweezy Kinked Demand Model as a way to explain price rigidity. Outline the focus of the lesson on understanding the kinked demand curve and its implications.</p> </li> <li>Development (30 minutes)           <p>A. Assumptions of the Sweezy Kinked Demand Model (5 minutes) Oligopoly Market Structure: Remind students that the model applies to markets with a few dominant firms. Behavioral Assumptions: Explain the two key assumptions:               <ol style="list-style-type: none"> <li>If a firm raises its price, competitors will not follow, leading to a significant loss in market share.</li> <li>If a firm lowers its price, competitors will match the price cut to avoid losing customers.</li> </ol>               Resulting Demand Curve: Describe how these assumptions lead to a kinked demand curve.</p> <p>B. The Kinked Demand Curve (10 minutes) Explanation of the Curve: Explain that the demand curve has a "kink" at the current market price: Above the Kink: The demand curve is relatively elastic because a price increase leads to a large drop in quantity demanded. Below the Kink: The demand curve is relatively inelastic because a price decrease does not significantly increase quantity demanded due to competitors matching the price cut.</p> </li> </ol>



	<p>Marginal Revenue (MR) Curve: Illustrate how the MR curve has a discontinuity (a vertical gap) at the kink.</p> <p>Diagram: Draw the kinked demand curve on the board, showing the corresponding MR curve. Explain how the kink leads to price rigidity because small changes in marginal cost do not affect the equilibrium price and output.</p> <p><b>C. Price Rigidity and Implications (5 minutes)</b></p> <p>Price Rigidity: Emphasize that the kinked demand curve leads to price stability, as firms are hesitant to change prices due to uncertain reactions from competitors.</p> <p>Equilibrium: Show that the firm is in equilibrium where the MR curve intersects the marginal cost (MC) curve, within the vertical discontinuity of the MR curve.</p> <p>Implications for Firms: Discuss how price rigidity can lead to non-price competition (e.g., advertising, product differentiation) as firms seek to gain market share without altering prices.</p> <p><b>D. Criticisms and Limitations (5 minutes)</b></p> <p>Lack of Predictive Power: Discuss how the model does not predict the initial price or how firms might react to significant changes in costs or demand.</p> <p>No Explanation for Collusion: Mention that the model does not explain why firms in an oligopoly might collude or engage in price leadership.</p> <p>Static Model: Highlight that the Sweezy model is static and does not account for dynamic changes in the market.</p> <p>Exercise(10 mins)</p> <p>Real-World Applications (5 minutes)</p> <p>Examples: Discuss real-world markets where price rigidity is observed, such as gasoline or airline industries.</p> <p>Critical Analysis: Encourage students to consider how the Sweezy model applies to modern oligopolistic markets and whether it still holds relevance.</p>
<p><b>Closure</b></p>	<ol style="list-style-type: none"> <li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li> <li>2. Suggested Reading             <ul style="list-style-type: none"> <li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li> </ul> </li> <li>3. Homework</li> </ol> <p>Create a detailed diagram of the kinked demand curve and MR curve, explaining the conditions that lead to price rigidity.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<p><b>Evaluation</b></p>	<ol style="list-style-type: none"> <li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.             <ol style="list-style-type: none"> <li>a) How does the Sweezy Kinked Demand Model explain price rigidity in an oligopoly?</li> <li>b) What are the main limitations of the model in explaining real-world pricing behavior?</li> </ol> </li> </ol>



	<p>c) Reflect on whether price rigidity is beneficial or harmful to consumers and the overall market. How might firms in an oligopoly overcome the limitations of the Sweezy model? Spend 5 minutes to evaluate student assimilation of the lesson contents</p>
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<b>Lesson Plan No. 30</b>	<b>Course Name: Managerial Economics</b> <b>Topic: Introduction to Pricing</b>	<b>Course No.: MBA-101</b>
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<b>Objectives</b>	At the end of the lesson the student shall be able to: a) Define the concept of price and understand its role in a market economy. b) Explain how prices are determined by the interaction of supply and demand. c) Identify the key factors that influence pricing decisions in various market structures. d) Understand the concept of price elasticity of demand and its significance in pricing.
<b>Teaching Aids (if any)</b>	a. PPT
<b>Teaching Development</b>	1. Introduction (5 minutes) Ask question Why do prices differ for the same product in different markets or at different times? -Explain that pricing is a fundamental concept in economics, serving as a signal that guides the allocation of resources and the distribution of goods and services in a market economy. -Outline the key points that will be covered in the lesson: the role of pricing, determinants of price, and the impact of pricing on supply and demand. 2. Development (30 minutes) A. The Role of Pricing in a Market Economy (5 minutes) -Price as a Signal: Explain how price serves as a signal to both consumers and producers. High prices indicate scarcity and encourage production, while low prices signal abundance and may reduce production. -Allocation of Resources: Discuss how prices help allocate resources efficiently in a market economy by balancing supply and demand. -Incentives: Mention how pricing acts as an incentive for producers to innovate and improve efficiency. B. Determinants of Price: Supply and Demand (10 minutes) -Law of Demand: Explain that demand refers to how much of a product consumers are willing and able to purchase at different prices. The law of demand states that, all else being equal, as the price of a good increases, the quantity demanded decreases. -Law of Supply: Explain that supply refers to how much of a product producers are willing and able to sell at different prices. The law of supply states that as the price of a good increases, the quantity supplied increases. -Equilibrium Price: Introduce the concept of equilibrium price, where the quantity demanded equals the quantity supplied. Explain how market forces drive prices toward equilibrium.



	<p>Shifts in Supply and Demand: Discuss factors that can cause shifts in the supply and demand curves, such as changes in consumer preferences, production costs, and external factors.</p> <p>C. Price Elasticity of Demand (5 minutes)</p> <p>Definition: Define price elasticity of demand as the responsiveness of quantity demanded to a change in price.</p> <p>-Elastic vs. Inelastic Demand: Explain the difference between elastic demand (where a small change in price leads to a large change in quantity demanded) and inelastic demand (where quantity demanded is relatively unresponsive to price changes).</p> <p>-Calculating Elasticity: Briefly introduce the formula for calculating price elasticity of demand and discuss the implications for pricing decisions.</p> <p>-Real-World Examples: Provide examples of products with elastic and inelastic demand, such as luxury goods (elastic) and essential goods (inelastic).</p> <p>D. Government Intervention in Pricing (5 minutes)</p> <p>-Price Controls: Explain how governments sometimes intervene in markets by setting price floors (minimum prices) or price ceilings (maximum prices).</p> <p>-Impact on Markets: Discuss the potential consequences of price controls, such as shortages, surpluses, and black markets.</p> <p>-Examples: Provide examples of price controls, such as rent control in housing markets or minimum wage laws</p> <p>Exercise (5 mins):</p> <p>Present a scenario where a new product is introduced in the market. Ask students to analyze how supply and demand would determine its price and what factors could cause the price to change over time.</p>
<b>Closure</b>	<ol style="list-style-type: none"><li>1. Summarize the Lesson Learning Outcomes and get affirmation from students on these.</li><li>2. Suggested Reading<ul style="list-style-type: none"><li>- Managerial Economics by Paul Keat and Philip K.Y. Young</li></ul></li><li>3. Homework</li></ol> <p>Research a product of their choice and describe how its price is determined by supply and demand. Discuss any factors that might cause the price to change.</p> <p>Spend 5 minutes to wrap up and consolidate the learnings</p>
<b>Evaluation</b>	<ol style="list-style-type: none"><li>1. Reflective Questions (What, Why, Who?). Allow students to answer and discuss.</li></ol> <p>Spend 5 minutes to evaluate student assimilation of the lesson contents</p>