

## **Paper-II : Economics (Managerial & Entrepreneurial Economics)**

### **Objective - Section - I**

The objective of this section on Managerial Economics is to explain the role of a managerial economist in demand estimation and forecasting. The emphasis should be on clarity of concepts and method of application of concepts in real life situations.

### **Section - I : Managerial Economics**

**Unit-1:** The nature and significance of Managerial Economics - Salient features and significance of Managerial Economics - The role and responsibility of a managerial economist.

**Unit-2:** Basic concept : Incremental concept - Opportunity cost - Time perspective - Discounting Principle- Equimarginal principle.

**Unit-3:** Market demand analysis and Demand Estimation.

**Unit-4:** Demand forecasting : Meaning- Importance -Factors to be considered-Methods.

### **Objective-Section- II**

The objective of this section is to provide exposure to the entrepreneurial culture and industrial growth so that students may be encouraged to setup and manage their own small units.

### **Section-II : Entrepreneurial Economics**

**Unit-1 :** Introduction : The entrepreneur - Definition - Emergence of entrepreneurial class - Theories of entrepreneurship - Role of socio-economic environment - Characteristics of entrepreneur - leadership, Risk taking, Decision-making and business planning.

**Unit-2 :** Role of Entrepreneur : Role of an entrepreneur in economics growth as an innovator, generation of employment opportunities, complementing and supplementing economic growth, bringing about social stability and balanced regional development of industries; Role in export promotion and substitution, forex earnings, and augmenting and meeting local demand.

**Unit-3 :** Entrepreneurial Development Programmers (EDP)- EDP, their roles, relevance, and achievements-Role of Government in organizing EDPs - critical evaluation.

**Unit-4 :** Promotion of a Venture- Opportunities analysis - External environmental analysis - Economics, social, and technological-Competitive

factors-Legal requirements for establishment of a new unit, and raising of funds - Venture capital sources and documentation required.

**Suggested Readings :**

1. Joel Dean : Managerial Economics
2. Gupta G.S. : Managerial Economics
3. Tandon B. C. : Environment and Entrepreneur
4. Pandey I. M : Venture Capital : The Indian Experience