

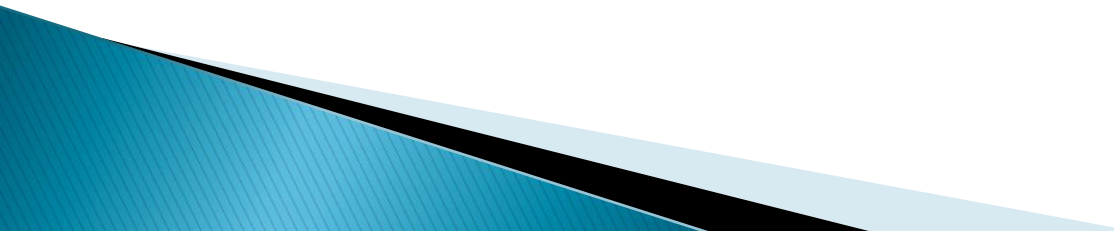
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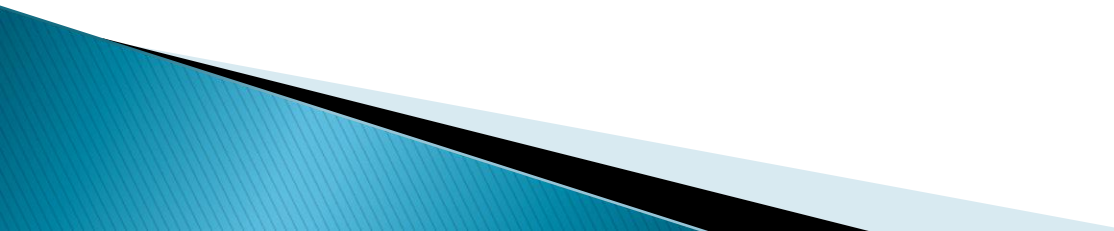
Presentation On MANAGERIAL ECONOMICS UNIT-IV BE 8sem (EL-8103) Electronics

Submitted By
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Electronics Dept.

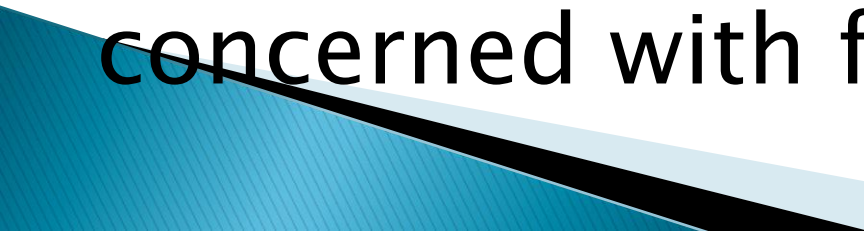
CONTENT

- ▶ **INTRODUCTION**
 - ▶ **DEFINITION**
 - ▶ **SCHOLOR'S STATEMENT**
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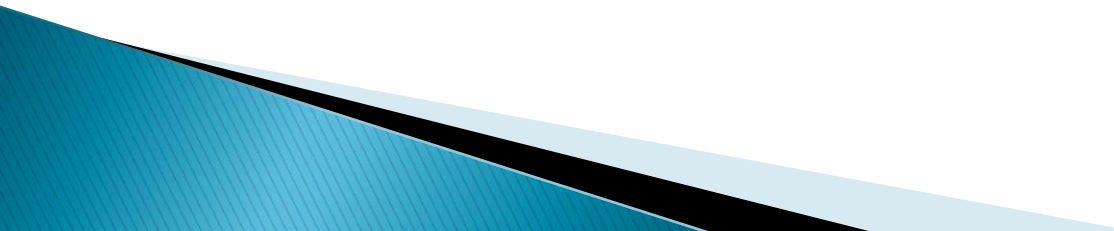
CONTENT

- ▶ **MANAGERIAL THEORY**
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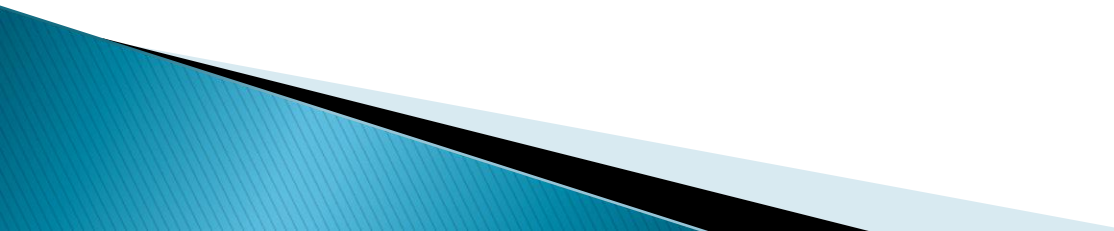
INTRODUCTION

- ▶ The science of Managerial Economics has emerged only recently.
 - ▶ With the growing variability and unpredictability of the business environment,
 - ▶ Business managers have become concerned with finding rational
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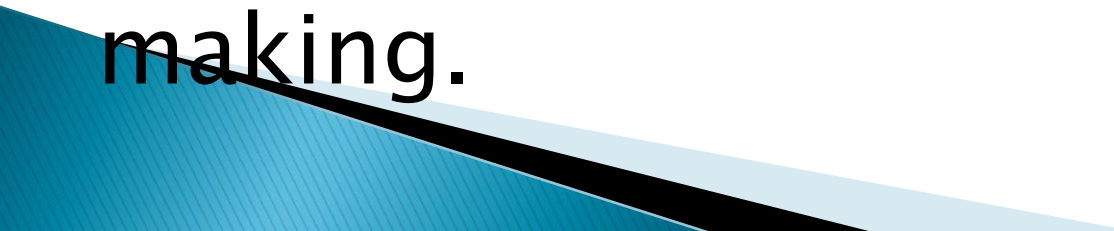
INTRODUCTION

- ▶ Ways of adjusting to an exploiting environmental change.
 - ▶ Managerial economics generally refers to the integration,
 - ▶ Of economic theory with business practice.
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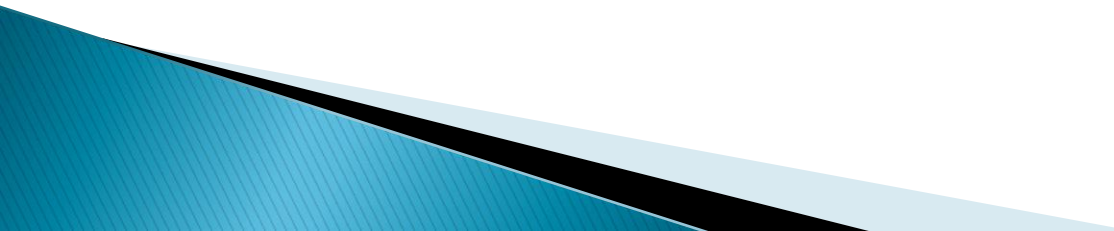
INTRODUCTION

- ▶ Managerial economics applies economic tools,
 - ▶ To the management of business.
- 

DEFINITION

- ▶ Managerial economics is a discipline which deals with the application
 - ▶ of economic theory to business management.
 - ▶ It uses of economic concepts and principles of business decision making.
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DEFINITION

- ▶ The study of economic theories, logic and methodology;
 - ▶ Which are generally applied to seek
 - ▶ Solution to the practical problems of business.
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SCHOLAR'S STATEMENT

“Managerial Economics is economics applied in decision making. It is a special branch of economics bridging the gap between abstract theory and managerial practice.”

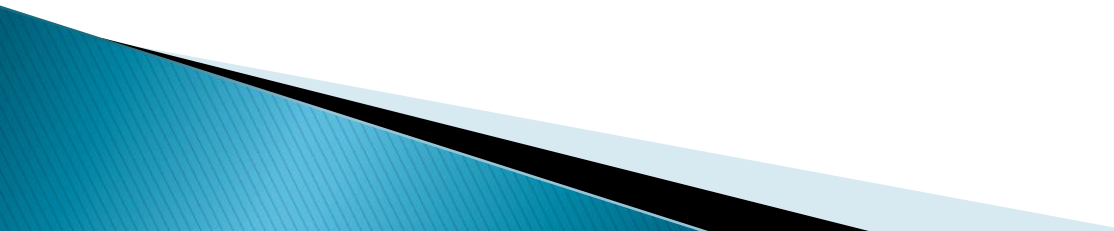
-Haynes, Mote and Paul.

SCHOLAR'S STATEMENT


“the application of economic theory and methodology to business administration practice.”

-E.F. Brigham and J. L. Pappas

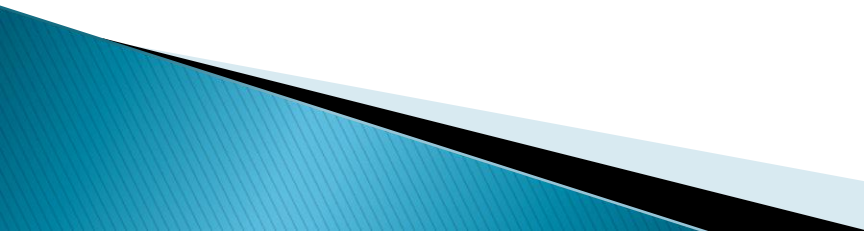
ECONOMIC THEORY

- ▶ Economic Theory is a system of inter relationships.
 - ▶ Among the social sciences, economics is the most advanced in terms of theoretical orientations.
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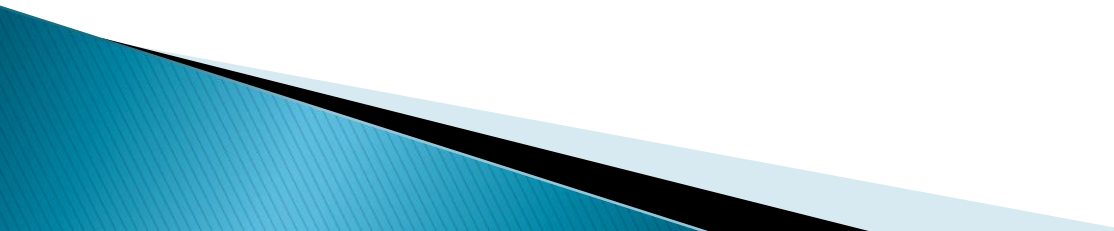
ECONOMIC THEORY

- ▶ There are well defined theoretical structures in economics.
 - ▶ One of the most widely discussed structures is the postulation;
 - ▶ Or axiomatic method of theory formulation.
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ECONOMIC THEORY

- ▶ It insists that there is a logical core of theory consisting of postulates;
 - ▶ Their predictions which forms the basis of economic reasoning and analysis.
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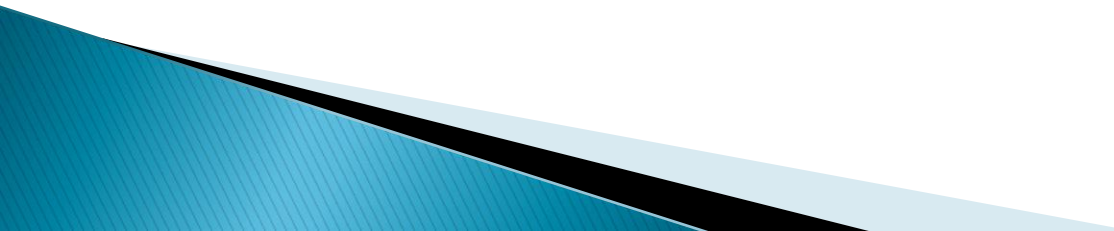
ECONOMIC THEORY

- ▶ This logical core of theory cannot easily be detached from the empirical part of the theory.
 - ▶ Economics has a logically consistent system of reasoning.
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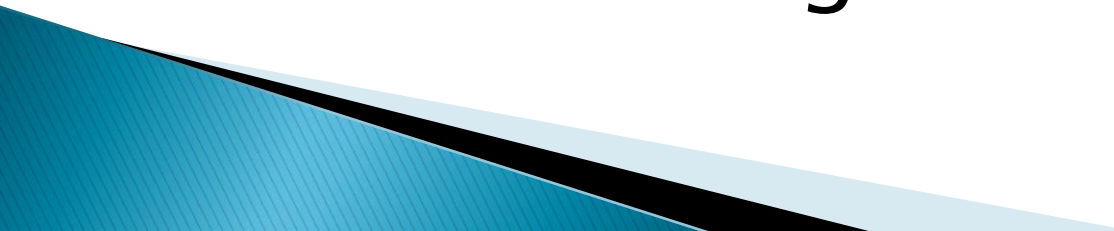
ECONOMIC THEORY

- ▶ The theory of competitive equilibrium is entirely based on axiomatic method.
 - ▶ Both in deductive inferences and inductive generalizations,
 - ▶ The underlying principle is the interrelationships.
- 


MANAGERIAL THEORY

- ▶ Refers to those aspects of economic theory and application;
 - ▶ Which are directly relevant to
 - ▶ Practice of management & Decision making process.
- 


MANAGERIAL THEORY

- ▶ Managerial theory is pragmatic.
 - ▶ It is concerned with those analytical tools;
 - ▶ Which are useful in improving decision making.
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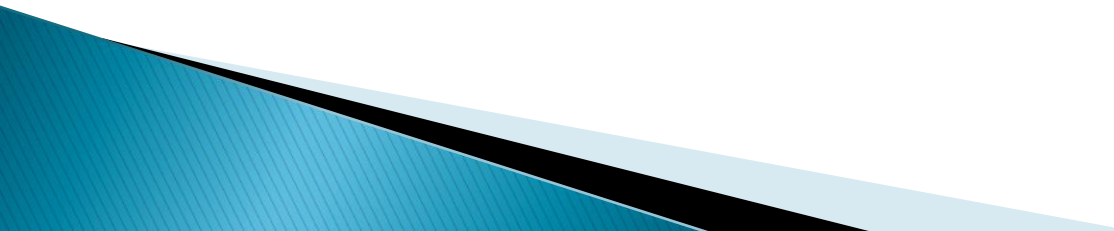
MANAGERIAL THEORY

- ▶ Provides necessary conceptual tools
 - ▶ Which can be of considerable help to
 - ▶ The manager in taking scientific decisions
 - ▶ The maximum help to a business manager in planning.
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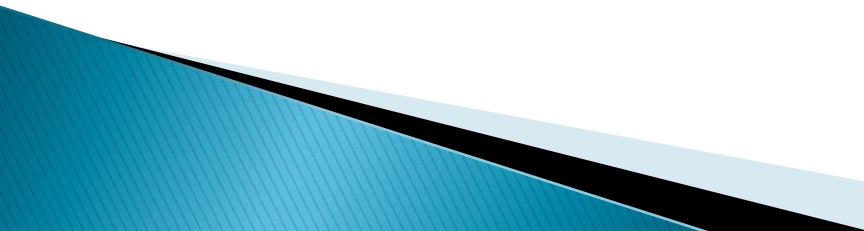
Economic Theory vs Managerial Theory

- ▶ Economic theory deals with the body of principles.
 - ▶ Managerial theory deals with the application of certain principles to solve the problem of a firm.
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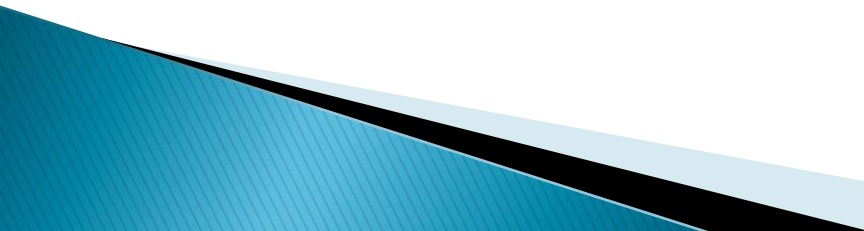
Economic Theory vs Managerial Theory

- ▶ Economic theory has the characteristics of both micro and macro economics.
 - ▶ Managerial theory has only micro characteristics.
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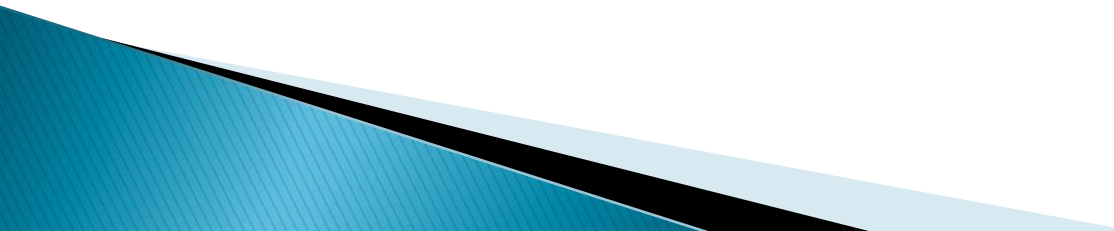
Economic Theory vs Managerial Theory

- ▶ Economic theory deals with a study of individual firm as well as individual consumer.
 - ▶ Managerial theory studies only about individual firm.
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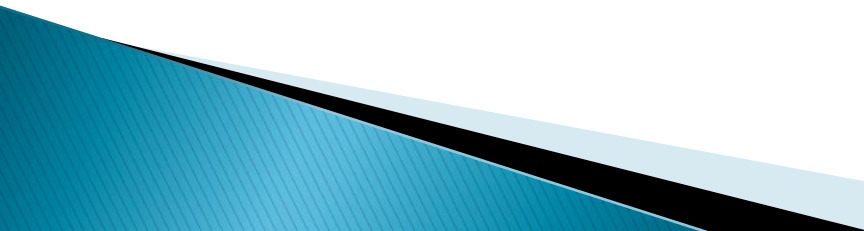
Economic Theory vs. Managerial Theory

- ▶ Economic theory deals with a study of distribution theories of rent, wages, interest and profits.
 - ▶ Managerial theory deals with a study of only profit theories.
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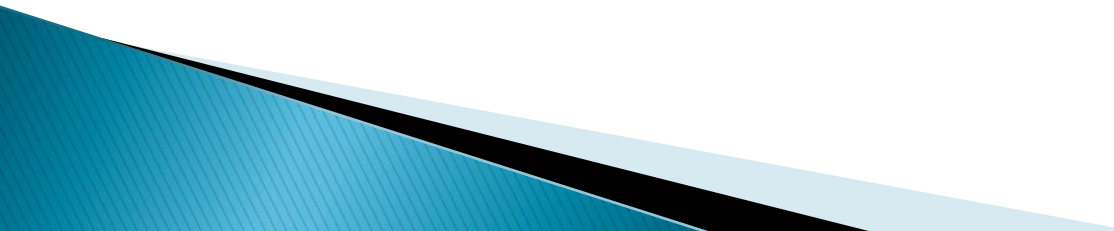
Economic Theory vs. Managerial Theory

- ▶ Economic theory is based on certain assumptions.
 - ▶ Managerial theory these assumptions disappear due to practical situations.
- 

Economic Theory vs. Managerial Theory

- ▶ Economic theory is both positive and normative in character
 - ▶ Managerial theory is essentially normative in nature.
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Economic Theory vs. Managerial Theory

- ▶ Economic theory studies only economic aspect of the problem.
 - ▶ Managerial theory studies both economic and non-economic aspects.
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THANK YOU