

Module 1 – Introduction to Managerial Economics

1. What are the three basic economic problems? How these problems related to allocation decision and form of economy?
2. Describe the difference between the accounting and the economic concept of profit. How are they useful for managerial decision making?
3. What is opportunity cost?
4. What do you understand by Principal Agent problem? How this is related to ‘asymmetric information’?
5. What do you understand by Marginal Analysis? Discuss giving an example.
6. What is the difference between Marginal and incremental analysis?
7. Elaborate the concept of economic rationality with suitable example.
8. Explain the different methods for constrained optimization?
9. What is slope? What is the use of slope in economic analysis?
10. What is the use of OLS method in regression techniques?
11. What are the general forms of function used in economic analysis?