

Managerial Economics Concept & Characteristics

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DEFINITION - View

“Managerial Economics is the 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

It is also known as Business Economics, Economics of Enterprise, Applied Economics.

CHARACTERISTICS OF ME

Managerial
Economics is micro
economics in
Character.

Managerial
Economics is
pragmatic, attempts to
solve the managerial
problems.

Managerial
Economics is also
normative economics,
i.e. what management
should do in given
conditions ?

Managerial
Economics also takes
the help of macro
Economics i.e. how an
individual firm or an
Industry has to work ?

Managerial
Economics also
takes the help of
theory of Firm or
Economics of the
Firm.

Managerial
Economics adopts
multi-disciplinary
Approach, while
addressing the
problems of firm or
market.

Managerial Focuses
main attention on best
profitable use of
Scarce Resources-
how to achieve
Equilibrium between
Price and Demand

Managerial
Economics attempt to
provide optimal
decision under the
given market
conditions.

Study of ME enables
the use of Economic
logic & eco.principles
to help management in
decision making
forward planning.

Managerial
Economics is an
offshoot of Traditional
Economics, integrates
ideas from
specialized subjects.

**For Further Conceptual Clarifications and Study
related Enquiries :-**

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