

A review of Scope and nature of Managerial Economics

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Abstract

The scope and nature of managerial economics encompass a wide range of abstract concepts and principles that are crucial for effective decision-making within organizations. Managerial economics is the application of economic theories and concepts to solve practical business problems. It involves analyzing how scarce resources are allocated to achieve the organization's goals and objectives while considering factors like demand, supply, pricing, production, and market dynamics. Game theory is a complex abstract concept that explores strategic interactions and decision-making in competitive situations. Managers often use game theory to analyze and predict how competitors' actions can impact their own decisions and outcomes. where one party in a transaction has more information than the other, leading to challenges in decision-making. Managers need to address information asymmetry to make informed choices, especially in markets with imperfect information. the supply chain involves balancing cost efficiency, inventory management, and customer satisfaction. It requires considering the entire supply chain as a complex system.

Keywords: managerial economics include optimization, cost-benefit analysis, elasticity, marginal analysis, and strategic decision-making

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