

Academic Council

Item No: _____

Devrukh Shikshan Prasarak Mandal's

NYA. TATYASAHEB ATHALYE ARTS, VED. S.R. SAPRE COMMERCE &

VID. DADASAHEB PITRE SCIENCE COLLEGE, DEVRUKH

[AN AUTONOMOUS COLLEGE AFFILIATED TO UNIVERSITY OF MUMBAI]



Syllabus for Second Year Bachelor of Arts

Program: S. Y. B. A.

Semester III & IV

Course Title: Business Economics

Credit Based Semester and Grading System

w. e. f. Academic Year 2020-2021

Second Year of Bachelor of Arts
Revised Syllabus under Autonomy

Semester	Paper Code	Paper	Lectures /Practical s	Evaluation Weightage			Credits
				Externa l	Internal	Total	
Semester III	UAECO31	Economics Paper-I Business Economics I	45	70	30	100	03
Semester IV	UAECO41	Economics Paper -I Business Economics II	45	70	30	100	03

Semester III			
Learning Objectives			
After completing the Business Economics, I Course the student will be able to understand			
<ul style="list-style-type: none"> ➤ To analyse the changes in the demand-supply equilibrium in the market ➤ To analyse cost conditions of a firm and industry ➤ The concept of factor market in details ➤ Equilibrium in various market conditions 			
Course Code	Title	Lectures	Credits
UGECO31	Business Economics I	45	03
Module I	<p style="text-align: center;">Demand and Supply</p> <ul style="list-style-type: none"> • Demand Curves: Market Demand versus Individual Demand, Movements along the Demand Curve, Shifts in the Demand Curve; • Supply Curves: Market Supply and Individual Supply, Shifts in Supply Curve; • Market Equilibrium - Three Steps to Analyze Changes in Equilibrium; • Price Elasticity of Demand, Methods of Measuring Price Elasticity of Demand – Total Outlay Method, Percentage Method and Point Method; Concepts of Income Elasticity of Demand, Cross Elasticity of Demand and Promotional Elasticity of Demand 	12	
Module II	<p style="text-align: center;">Cost & Revenue Analysis</p> <ul style="list-style-type: none"> • Concepts of Costs: Money and Real Cost, Social Cost, Private Cost, Explicit and Implicit Cost, Opportunity Cost; • Relationship between Average, Marginal and Total Cost; • Derivation of Short Run and Long Run Cost Curves; • Concepts of Revenue: Types and Interrelationship 	09	
Module III	<p style="text-align: center;">Factor Pricing</p> <ul style="list-style-type: none"> • Marginal Productivity Theory of Distribution; • Rent: Ricardian Theory of Rent, Modern Theory of Rent, Quasi Rent; • Wages: Modern Theory of Wages; Collective Bargaining; Supply Curve of Labour; • Interest: Classical Theory of Interest, Loanable Funds Theory of Interest; Profit: Risk and 	12	

	Uncertainty Theory, Innovation Theory		
Module IV	Equilibrium in Different Market Structure <ul style="list-style-type: none"> • Concept of Equilibrium: TR - TC and MR - MC Approach; • Features of Perfect Competition; Monopoly and Monopolistic Competition, Short • Run and Long Run Equilibrium of Firm and Industry under each Market Condition; • Selling Cost and Wastages under Monopolistic Competition 	12	

References

- N.Gregory Mankiw, Principles of Microeconomics, 7th edition, Cengage Learning, 2015
- Sen Anindya, Microeconomics: Theory and Applications, Oxford University Press, New Delhi, 2007
- Salvatore D., Microeconomics: Theory and Applications, Oxford University Press, New Delhi. 2003
- Steven A. Greenlaw and David Shapiro, Principles of Microeconomics, Second Edition, OpenStax, Rice University, 2017. Available free at https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/Microeconomics2e-OP_603oHEs.pdf
- H L Ahuja, Principles of Microeconomics, S. Chand, New Delhi, 2016

Semester IV			
Learning Objectives			
After completing the Business Economics II Course, the student will be able to understand			
<ul style="list-style-type: none"> ➤ The basic macro- economic concepts ➤ The basic concepts in Monetary Economics ➤ To analyse the working of economic policies ➤ The basic concepts in International Economics 			
Course Code	Title	Lectures	Credits
UGECO41	Business Economics II	45	03
Module I	Review of Basic Macro Economic Concepts <ul style="list-style-type: none"> • The IS-LM Model of Integration of Commodity and Money Market; IS Curve: Derivation of IS Curve, Shift in IS Curve, Equilibrium in Goods Market; LM Curve: Derivation of LM Curve, Shift in LM Curve, Equilibrium in Money Market; 	12	

	<p>Simultaneous Equilibrium in Goods and Money Market</p> <ul style="list-style-type: none"> • Inflation and Unemployment Trade-off: Philips curve • Stagflation: meaning, causes. • Supply side economics: Basic propositions 		
Module II	<p>Supply of Money and Demand for Money</p> <ul style="list-style-type: none"> • Supply of Money; Determinants of Money Supply; Velocity of Circulation of Money; Measures of money supply with special reference to India (M1, M2, M3 and M4) • Demand for Money: Classical, Keynesian and Friedman's Approaches • High powered money –concept • Money Multiplier Concept 	09	
Module III	<p>Economic Policy</p> <ul style="list-style-type: none"> • Monetary Policy: Objectives, Instruments, Limitations, Role of Monetary Policy in Developing Economies; • Fiscal Policy - Objectives, Instruments, Limitations and Role of Fiscal Policy in Developing Economies, • Fiscal Policy in an extreme condition: Example of Covid-19 situation • Evaluating the effects of monetary and fiscal policy through IS- LM framework 	12	
Module IV	<p>External Sector</p> <ul style="list-style-type: none"> • Balance of Payment Account: Structure, Disequilibrium in Balance of Payment, Types, Causes and Measures to Correct Balance of Payment Disequilibrium; • Foreign Exchange Market: Determination of Exchange Rate: Fixed and Flexible Exchange Rate; • Spot and Forward Exchange Rate; • Exchange Rate Policy 	12	

References:

- N. Gregory Mankiw, Principles of Macroeconomics, 7th edition, Cengage Learning, 2015
- Sikdar, S., Principles of Macroeconomics, Oxford University Press, New Delhi. Abel, 2006
- B., B. S. Bernanke and D. Croushore, Macroeconomics, Pearson, New Delhi. 2011

- Steven A. Greenlaw and David Shapiro, Principles of Macroeconomics, Second Edition, OpenStax, Rice University, 2017. Available free at https://d3bxy9euw4e147.cloudfront.net/oscms-prodcms/media/documents/Macroeconomics2e-OP_08uAIKN.pdf

Expected Learning Outcomes

(Program Outcomes, Program Specific Outcomes, Course Outcomes)

Program: B.A. Economics

Programme Outcomes

Students securing B.A. degree in Economics from our college will be able to

- Reproduce the economic theory and applications in written and oral form.
- apply economics to their daily lives
- understand the economics behind real world situations.
- equip themselves for further education as well as for employment

Programme Specific Outcomes:

Students will be able to

- exhibit an understanding of microeconomic and macroeconomic theory.
- assemble the economics data and understand the relationships behind the same
- estimate economic models
- use the economic models in their daily lives

Course Outcomes:

After completing the Business Economics I Course, the student will be able to understand

- Determination of a price of a particular commodity or service and how to analyze the pricing process
- The costing circumstances of a firm and industry.
- How the factors in the economy are rewarded?
- Structures of different types of markets and their equilibrium.

After completing the Business Economics II Course, the student will be able to understand

How the economy gets equilibrium through goods and money market?

The working of monetary system in the economy.

How to analyze the policies of the Government and Central Bank.

Working of the external sector and its importance to economy.
