

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 Commerce

Program: S. Y. B. Com.

Semester III & IV

Course Title: Business Economics II

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 /Practicals	Evaluation Weightage			Credits
				External	Internal	Total	
Semester III	UCBEC31	Business Economics II BASICS OF MACROECONOMICS	45	70	30	100	03
Semester IV	UCBEC41	Business Economics II Foundation of Public Finance	45	70	30	100	03

Semester III			
Learning Objectives			
After completing the Business Economics II Course, the student will be able to understand			
<ul style="list-style-type: none"> ➤ Basic Macro Economic concepts and their real-life application ➤ The Keynesian Economics as a separate branch of Economics ➤ To analyse the Macro Economic policies ➤ The concept of inflation and role of money in generating inflation 			
Course Code	Title	Lectures	Credits
UCBEC31	Business Economics II BASICS OF MACROECONOMICS	45	03
Module I	<p style="text-align: center;">Introduction to Macroeconomics</p> <ul style="list-style-type: none"> • Macroeconomics: Meaning, Scope and Importance. • National Income- Meaning, Conventional and Green GNP, NNP concepts, Methods and Difficulties in Measurement of National Income; • Circular Flow of National Income: Closed and Open Economics Models- Leakages and Injections • Trade Cycles: Features and Phases • Classical Macroeconomics: Say's law and Keynes Criticism 	12	
Module II	<p style="text-align: center;">Basic Concepts of Keynesian Economics</p> <ul style="list-style-type: none"> • The Principle of Effective Demand: Aggregate Demand and Aggregate Supply • Consumption Function: Properties, Assumptions, Keynesian law of consumption, APC, MPC and Implications • Investment function: Marginal Efficiency of capital and rate of interest • Investment Multiplier effect on Income and Output: Assumptions, Working, Leakages, Criticism and Importance - paradox of thrift 	09	
Module III	<p style="text-align: center;">Macro-Economic Policies</p> <ul style="list-style-type: none"> • Monetary Policy: Objectives, Instruments, Limitations, Last year Monetary Policy of RBI • Fiscal Policy - Objectives, Instruments, Limitations, Fiscal Policy of GOI – Fiscal Policy in extreme conditions: Policy in India during Covid-19 • Working of the Macroeconomic Policies: IS-LM 	12	

	Model, Integration of Commodity and Money Market, derivation of the curves their features, shifting.		
Module IV	<p style="text-align: center;">Money and Inflation</p> <ul style="list-style-type: none"> • Money Supply: Determinants of Money Supply - Factors influencing Velocity of Circulation of Money, RBI's Approach to Measurement of Money Supply; • Demand for Money: Classical, Keynesian and Friedman's Approaches • Inflation: Demand Pull Inflation and Cost Push Inflation, Policy measures to curb inflation • Inflation and Unemployment: Philips curve 	12	

References

- Ackley.G, Macro Economic Theory and Policy, Macmillan Publishing Co. New York,1976
- Ahuja. H.L., Modern Economics — S.Chand Company Ltd. New Delhi
- B., B. S. Bernanke and D. Croushore, Macroeconomics, Pearson, New Delhi. 2011
- Jhingan, M.L., Principles of Economics — Vrinda Publications (P) Ltd.
- N. Gregory Mankiw, Principles of Macroeconomics, 7th edition, Cengage Learning, 2015
- Sikdar, S., Principles of Macroeconomics, Oxford University Press, New Delhi. Abel, 2006
- 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
- Vaish .M.C., Macro Economic Theory 14th edition, Vikas Publishing House(P)Ltd, 2010

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 public finance concepts ➤ The concepts of public revenue, public expenditure and public debt ➤ To analyse the fiscal policies and its importance for economy ➤ The Indian state of affairs on public finance ground 			
Course Code	Title	Lectures	Credits
UCBEC41	Business Economics II Foundation of Public Finance	45	03
Module I	<p style="text-align: center;">Introduction to Public Finance</p> <ul style="list-style-type: none"> • Public finance: Meaning, Scope, Importance • Major fiscal functions: Allocation, Distribution, Stabilisation and Growth Functions of the Government • Market Failure: Public Goods and Private Goods, Externalities, Efficiency versus Equity; • Principle of Maximum Social Advantage: Dalton and Musgrave Views - the Principle in Practice, Limitations 	12	
Module II	<p style="text-align: center;">Public Revenue, Expenditure and Debt</p> <ul style="list-style-type: none"> • Sources of Public Revenue: tax and non-tax revenues • Taxation – Objectives, Canons of taxation - Types of taxes: direct and indirect, Concept of Impact, Incidence and Shifting of Taxation; Elasticity and Determination of Tax Burden • Public Expenditure: Canons, Classification of Public Expenditure; Wagner’s Law of Increasing State Activities; Wiseman Peacock Hypothesis • Public Debt: Classification - Burden of Debt Finance: Internal and External 	12	
Module III	<p style="text-align: center;">Fiscal policy and Management</p> <ul style="list-style-type: none"> • Contra cyclical Fiscal Policy and Discretionary Fiscal Policy • Principles of Sound and Functional Finance • Budget- Meaning, Objectives and Types, Structure, Deficit concepts • Fiscal federalism and fiscal decentralization 	09	
Module IV	<p style="text-align: center;">Indian Public Finance</p> <ul style="list-style-type: none"> • Budget of The Government of India (Previous Financial Year); • Trends in Public Revenue, Introduction To GST • Trends in Public Expenditure; Causes of increase in public expenditure in India • FRBM Act 2004 and its evaluation • NITI Aayog and its importance: discretionary 	12	

	grants. • Fourteenth Finance Commission Recommendations		
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References:

- Bhatia H.L.: Public Finance. Vikas Publishing House Pvt. Ltd
- Hajela T.N: Public Finance – Ane Books Pvt.Ltd
- Jha, R (1998) : Modern Public Economics, Route Ledge, London
- Musgrave, R.A and P.B. Musgrave (1976) : Public Finance in Theory and Practice, Tata McGraw Hill, Kogakusha, Tokyo
- Singh.S.K. (2014): Public finance in Theory and Practice, S.Chand &co Pvt Ltd, New Delhi

Expected Learning Outcomes

(Program Outcomes, Program Specific Outcomes, Course Outcomes)

Program: B. Com.

Programme Outcomes

Students securing B.Com. degree in Accountancy or Banking & Finance from our college will be able to

- Use specialized skills in their future career.
- 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 macroeconomic and public finance theory.
- assemble the macro-economic data and understand the relationships behind the same
- analyze the economic policies
- use the macro-economic models in their daily professional decisions

Course Outcomes:

After completing the Business Economics II (Basics of Macroeconomics) Course, the student will be able to understand

- the basic macro-economic concepts like NI, Trade Cycles etc. and their relevance in business decisions
- The ideas from Keynesian economics and its implication in today's world.
- How to analyze the macro-economic policies and use them in business decisions?
- The concepts from monetary economics and their importance for business environment.

After completing the Business Economics II (Foundation of Public Finance) Course, the student will be able to understand

- The concept of Public Finance and its importance.
- The actual financial functioning of the Government.
- Fiscal policy in its implications.
- Indian scenario on the public finance ground.
