Agenda No.2.03 in AC and Date:23-03-2022

**Vidya Prasarak Mandal’s**

**K.G. Joshi College of Arts & N.G. Bedekar College of Commerce, Thane**

**(Autonomous)**

**(Affiliated to University of Mumbai)**

**Syllabus for SYBCOM**

**Program:B.COM.**

**Specific Programme: Business Economics(JBCUCECO)**

**Year of Establishment: 1969**

**Year of Upgrading: 2022-23**

**Specific Programme: Business Economics(JBCUCECO)**

**PREAMBLE**

This paper provides an exposure to basic analytical tools of macroeconomics.This course is designed to acquaint students with fundamental concepts and issues of public finance. An understanding of government finance will help the learners to analyse public policies and study their impact on social and economic lives of people.

**Programme Duration:Three years (Entire B.COM. Course) Mode of Delivery: Offline (Online, in case of emergency)**

**DISTRIBUTION OF TOPICS AND CREDITS**

| **Paper No** | **Paper Name** | **Semester** | **Course Nomenclature** | **Course Code** | **Credits** |
| --- | --- | --- | --- | --- | --- |
| **2** | **Business Economics** | **III** | **Business Economics -III** | **JBCUCECO301** | **3** |
| **IV** | **Business Economics -IV** | **JBCUCECO401** | **3** |

**(Credit Based Semester and Grading System with effect from the academic year 2022–2023)**

**PROGRAMME OUTCOMES: B.COM.**

| **PO** | **PO Description** |
| --- | --- |
| **PO1** | **To impart knowledge about commercial and managerial aspects of business along with social and ethical issues** |
| **PO2** | **To acquaint the learners about basic concepts of business communication, mathematical and statistical tools, environmental and other social issues related to commerce and management.** |
| **PO3** | **To make the learners aware about basic concepts of marketing management, production management human resource management, export marketing and financial management along with the recent trends and developments in it** |
| **PO4** | **To give a working knowledge in respect of cost accounting, management accounting, financial accounting, auditing and taxation** |
| **PO5** | **To make the learners aware about various aspects of micro and macro economics and also about Indian financial system and recent development in it** |
| **PO6** | **To acquaint the learners about business law, company secretarial practices and computer systems, its applications and network infrastructure** |

**(Credit Based Semester and Grading System with effect from the academic year 2022–2023)**

**PROGRAMME - SPECIFIC OUTCOMES: Business Economics (JBCUCECO)**

| **PSO** | **PSO Description** |
| --- | --- |
| **PSO1** | **To equip the students to understand the working of a business unit in the economy.** |
| **PSO2** | **To acquaint the students to understand the basic principles of the market economy.** |
| **PSO3** | **To provide insight into basic analytical tools of macroeconomics.** |
| **PSO4** | **To help the students understand how an economy works and to analyse Economic phenomena.** |
| **PSO5** | **To familiarise the students with fundamental concepts and issues of public finance.** |
| **PSO6** | **To introduce students to various issues and challenges of the Indian economy.** |

**Semester III**

**Business Economics: Paper III**

**Course Nomenclature: Business Economics-III**

**Course Code: JBCUCECO301**

**COURSE OUTCOMES**

1. To acquaint the students with the basic concepts of macroeconomics with special reference Circular flow of income National income, trade cycles, Says’ Law of market
2. To help the students to understand the basic concepts and working of Keynesian Economics
3. To provide an overview of the Post-Keynesian developments in macroeconomics
4. To explain the learners concepts of money, prices and inflation

**Syllabus**

**Lectures**

**Unit-I INTRODUCTION**  **(10)**

• Macroeconomics: Meaning, Scope and Importance.

• Circular flow of aggregate income and expenditure and its Importance- closed and

open economy models

• The Measurement of National Product: Meaning and Importance of National Income

Accounting- conventional and Green GNP and NNP concepts -National Income and

Economic Welfare.

• Trade Cycles: Features and Phases

• Classical Macroeconomics: Say’s Law of Market - Features, Implications and

Criticism

**Unit-II BASIC CONCEPTS OF KEYNESIAN ECONOMICS (10)**

• The Principle of Effective Demand: Aggregate Demand and Aggregate Supply

• Consumption Function: Properties, Assumptions and Implications

• Investment function and Marginal Efficiency of capital

• Investment Multiplier effect on Income and Output: Assumptions, Working, Leakages, Criticism and Importance - paradox of thrift

• Relevance of Keynesian theory tools to the developing countries

**Unit-III POST KEYNESIAN DEVELOPMENTS IN MACROECONOMICS (10)**

• The IS-LM model of integration of commodity and money markets

• Inflation and unemployment: Phillips' curve

• Stagflation: meaning, causes, and consequences

• Supply side economics: Basic propositions and critical appraisal

**Unit-IV MONEY, PRICES AND INFLATION (15)**

• Money Supply: Determinants of Money Supply - Factors influencing Velocity of

Circulation of Money

• Demand for Money: Classical and Keynesian approaches and Keynes’ liquidity

preference theory of interest - Friedman’s restatement of Demand for money

• Money and prices: Quantity theory of money - Fisher’s equation of exchange -

Cambridge cash balance approach

• Inflation: Demand Pull Inflation and Cost Push Inflation - Effects of Inflation- Nature of inflation in a developing economy - policy measures to curb inflation- monetary policy and inflation targeting

**REFERENCES**

* Ackley G. (1976), Macro Economic Theory and Policy, Macmillan Publishing Co. New York
* Ahuja. H.L., Modern Economics –– S.Chand Company Ltd. New Delhi.
* Blanchard Olivier (2000), Macro Economics, Englewood Elitt, Prentice Hall
* Bouman John, Principles of Macro Economics
* Dornbush, Rudiger, Fisher Stanley and Startz, Richards Macroeconomics, Nineth edition
* 2004 Tata-Mac Graw Hill, New Delhi.
* Dwivedi, D.N. (2001), Macro Economics: Theory and Policy, Tata-Mac Graw Hill, New

Delhi.

* Friedman Hilton (1953) Essays in Positive Economics, University of Chicago Press, London.
* Gregory N. Mankiw, Macroeconomics, Fifth Edition (2002) New York:Worth Publishers
* Jhingan, M.L., Principles of Economics –– Vrinda Publications (P) Ltd.
* Shapiro, E (1996), Macro-Economic Analysis, Galgotia Publication, New Delhi.
* Vaish M.C. (2010) Macro Economic Theory 14th edition, Vikas Publishing House(P)Ltd.

**Modality of Assessment**

1. **Internal Assessment: 40% - 40 Marks**

| Serial No. | Evaluation Type | Marks |
| --- | --- | --- |
| 1 | Written Test | 20 |
| 2 | Assignment/Project | 15 |
| 3 | Class Participation | 05 |
|  | Total: | 40 |

1. **External Examination: 60%- 60 Marks**

Semester End Theory Examination Time: 2 hours

NB. 1. All questions are compulsory.

 2. Each question has internal options.

3. Figures to the right indicate marks.

1. Full length question (from Unit I) 15

**OR**

1. A. Short question (from Unit I) 8

 B. Short question (from Unit I) 7

2. Full length question (from Unit II) 15

**OR**

2. A. Short question (from Unit II) 8

 B. Short question (from Unit II) 7

3. Full length question (from Unit III) 15

**OR**

3. A. Short question (from Unit III) 8

 B. Short question (from Unit III) 7

4. Full length question (from Unit IV) 15

**OR**

4. A. Short question (from Unit IV) 8

 B. Short question (from Unit IV) 7

**Semester -IV**

**Business Economics: Paper IV**

**Course Nomenclature: Business Economics-IV**

**Course Code: JBCUCECO401**

**COURSE OUTCOMES**

1. To acquaint the students with the basic concepts of public finance and major fiscal functions of government
2. To help the students to understand public revenue with special reference to taxation
3. To provide an overview of the public expenditure, underlying theories and public debt
4. To explain the learners about fiscal management and financial administration with special reference to India

**Syllabus**

**Lectures**

**Unit-I THE ROLE OF GOVERNMENT IN AN ECONOMY (10)**

• Meaning and Scope of Public finance.

• Major fiscal functions: allocation function, distribution function & stabilization function

• Principle of Maximum Social Advantage: Dalton and Musgrave Views - the Principle in

Practice, Limitations.

• Relation between Efficiency, Markets and Governments

• The concept of Public Goods and the role of Government

**Unit-II PUBLIC REVENUE (10)**

• Sources of Public Revenue: tax and non-tax revenues

• Objectives of taxation - Canons of taxation - Types of taxes: direct and indirect - Tax Base

and Rates of taxation: proportional, progressive and regressive taxation

• Shifting of tax burden: Impact and incidence of taxation - Processes- factors influencing

incidence of taxation

• Economic Effects of taxation: on Income and Wealth, Consumption, Savings, Investments

and Production.

• Redistributive and Anti – Inflationary nature of taxation and their implications

**Unit-III PUBLIC EXPENDITURE AND PUBLIC DEBT (10)**

• Public Expenditure: Canons - classification - economic effects of public spending - on

production, consumption, distribution, employment and stabilization - Theories of Public

Expenditure: Wagner’s Hypothesis and Wiseman Peacock Hypothesis - Causes for Public

Expenditure Growth - Significance of Public Expenditure: Low Income Support and Social

Insurance Programmes.

• Public Debt: Classification - Burden of Debt Finance: Internal and External- Public Debt

and Fiscal Solvency

 **Unit-IV Fiscal policy and Management (15)**

• Fiscal Policy: Meaning, Objectives, constituents and Limitations.

• Contra cyclical Fiscal Policy and Discretionary Fiscal Policy: Principles of Sound and

Functional Finance

• Budget- Meaning objectives and types - Structure of Union budget - Deficit concepts

 • Intergovernmental Fiscal Relations: fiscal federalism and fiscal decentralization – central state financial relations with special reference to 15th Finance Commission Recommendations.

**REFERENCES**

* Ahuja H.L., Modern Economics, 19th edition, 2015, S.Chand &co Pvt Ltd, New Delhi
* Bhatia H.L.: Public Finance. Vikas Publishing House Pvt. Ltd.
* David N. Hyman: Public Finance A Contemporary Application of theory of policy, KrishnaOffset, Delhi
* Hoiughton E.W.(1998): Public Finance, Penguin, Baltimore
* 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, TataMcGraw Hill, Kogakusha, Tokyo
* Mithani, D.M. (1998): Modern Public Finance, Himalaya Publishing House, Mumbai
* SinghS.K. (2014): Public finance in Theory and Practice, S.Chand &co Pvt Ltd, New Delhi

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**OR**

2. A. Short question (from Unit II) 8

 B. Short question (from Unit II) 7

3. Full length question (from Unit III) 15

**OR**

3. A. Short question (from Unit III) 8

 B. Short question (from Unit III) 7

4. Full length question (from Unit IV) 15

**OR**

4. A. Short question (from Unit IV) 8

 B. Short question (from Unit IV) 7