



University of Mumbai



Vidya Prasarak Mandal's

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

(Autonomous)

(Affiliated to University of Mumbai)

Syllabus for MA Business Economics

Program:MA Business Economics.

Specific Programme: Business Economics (JBCPABEC)

Year of Establishment: 1969

Year of Upgrading: 2022-23

Specific Programme: Business Economics

PREAMBLE

This course is designed to give exposure to the students to the basic principles of the market economy. It will help the students to understand the decision-making process of business. It will enable students to learn microeconomics, macroeconomics and its application to business Economics. It also helps the students to understand the economics of Banking and Economics of Insurance.

Eligibility: A student must have successfully cleared BA, BCom or BSc graduation course.

Programme Duration: Two years (Entire MA Business Economics 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
1	Business Economics	I	Economics of Banking-I	JBCPABEC103	3
		II	Economics of Banking-II	JBCPABEC203	3

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

PROGRAMME OUTCOMES: MA Business Economics

PO	PO Description
PO1	To impart knowledge about micro and macro economic aspects pertaining to the functioning of the economy
PO2	To acquaint the learners with basic concepts of micro and macro economic analysis, Banking and Insurance and other socio-economic issues related to commerce and management.
PO3	To make the learners aware about basic concepts of Growth, Development and Sustainability, International trade and Practices along with the recent trends and developments in it
PO4	To give a working knowledge in respect of Indian Economic policies and their implications
PO5	To make the learners aware about various aspects of Indian financial system, important financial institutions and recent development in it

**(Credit Based Semester and Grading System with effect
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PROGRAMME - SPECIFIC OUTCOMES: Business Economics

PSO	PSO Description
PSO1	To equip the students to understand the concepts of consumer preferences, income effect, substitution effect and General Equilibrium v/s Partial Equilibrium.
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PSO4	To help the students understand the concepts of National Income accounting, demand for money and supply of money.
PSO5	To acquaint the students with the money market and banking structure in India.
PSO6	To introduce the students to the fundamentals of life and health insurance and General insurance.

Semester- I

Economics of Banking-I: Paper III

Course Nomenclature: Economics of Banking-I

Course Code: JBCPABEC103

COURSE OUTCOMES

1. To help the students to understand the concept of demand for money and supply of money.
2. To acquaint the students with the commercial banks and Non-Bank Financial intermediaries.
3. To help- the learners to understand the Banking in India
4. To acquaint the students with the central banking and monetary policy in India.

Syllabus

Module-I Money (Lectures 12)

Traditional and modern functions of money – Monetary Standards – Brief History of Indian Rupee - Demand for Money – Supply of Money - Components of Money Supply, Reserve Money – Determination of Rate of Interest – Yield Curve

Module- II Commercial Banking (Lectures 12)

Banks as a financial intermediary – Credit Creation by commercial banks - Unit Banking v/s Branch Banking - Principles of Banking - Balance sheet of a bank – Net worth of a bank – Banks and financial frauds – Banks and Financial crisis – Commercial banks and Non-Bank Financial Intermediaries

Module- III Banking in India (Lectures 12)

Indigenous Bankers - Pros and Cons of Nationalization – Structure of Commercial Banking Post Nationalization – Public Sector Banks during 1969 to 1991- NABARD- Banking Sector Reforms – Financial Inclusion and Microfinance -

Module- IV Central Banking and Monetary Policy in India (Lectures 12)

Promotional, Developmental and Regulatory Role of RBI — Monetary Policy Committee – Targets, Indicators and Instruments of Monetary Control - Appraisal of Monetary Policy in India wrt flexible inflation targeting framework (FIT)

References:

1. Chandlar, L. V. and S. N. Goldfield (1977). Economics of Money & Banking and Financial Markets, 7/e, Harpar and Row, New York
2. David T. Llewellyn, The New Economics of Banking. Amsterdam, 1999. ISBN 90-5143-028-0.
3. Frederic S. Mishkin “The Economics of Money, Banking and Financial Markets (11th Ed.) Pearson.
4. Grabbie, J.O International Financial Markets, Elsevire, New York
5. International Banking, Indian Institute of Banking & Finance, First Edition 2010, Macmillan Publishers India Limited.
6. International Banking Operations, Indian Institute of Banking & Finance, First Edition 2010, Macmillan Publishers India Limited.
7. Murali Iyengar (2011) “Money Matters: Macroeconomics and Financial Markets, Sage Publications, New Delhi
8. M C Vaish (2016) “Monetary Theory” Sixteenth Edition, Vikas Publishing House, New Delhi
9. R.R. Paul, Money, Banking & International Trade, Kalyani Publications, Ludhiana.
10. RBI: Report on Currency and Finance, Various Issues
11. RBI: Report on Trend and Progress of Banking in India, Various Issues
12. Smith, P.F. Economics of Financial Institutions & Markets, Prentice Hall
13. Shubik Martin “The Theory of Money and Financial Institutions” (1999), Volume I and II Cambridge, the MIT Press
14. Stiglitz, Joseph E and Bruce E. Greenwald (2003), Towards a New Paradigm in Monetary Economics, Cambridge, the Cambridge University Press
15. Suraj B. Gupta (2004) Monetary Economics; Institutions, Theory and Policy, S. Chand & Company Limited, New Delhi.

Modality of Assessment

A. Internal Assessment: 40% - 40 Marks

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

B. 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

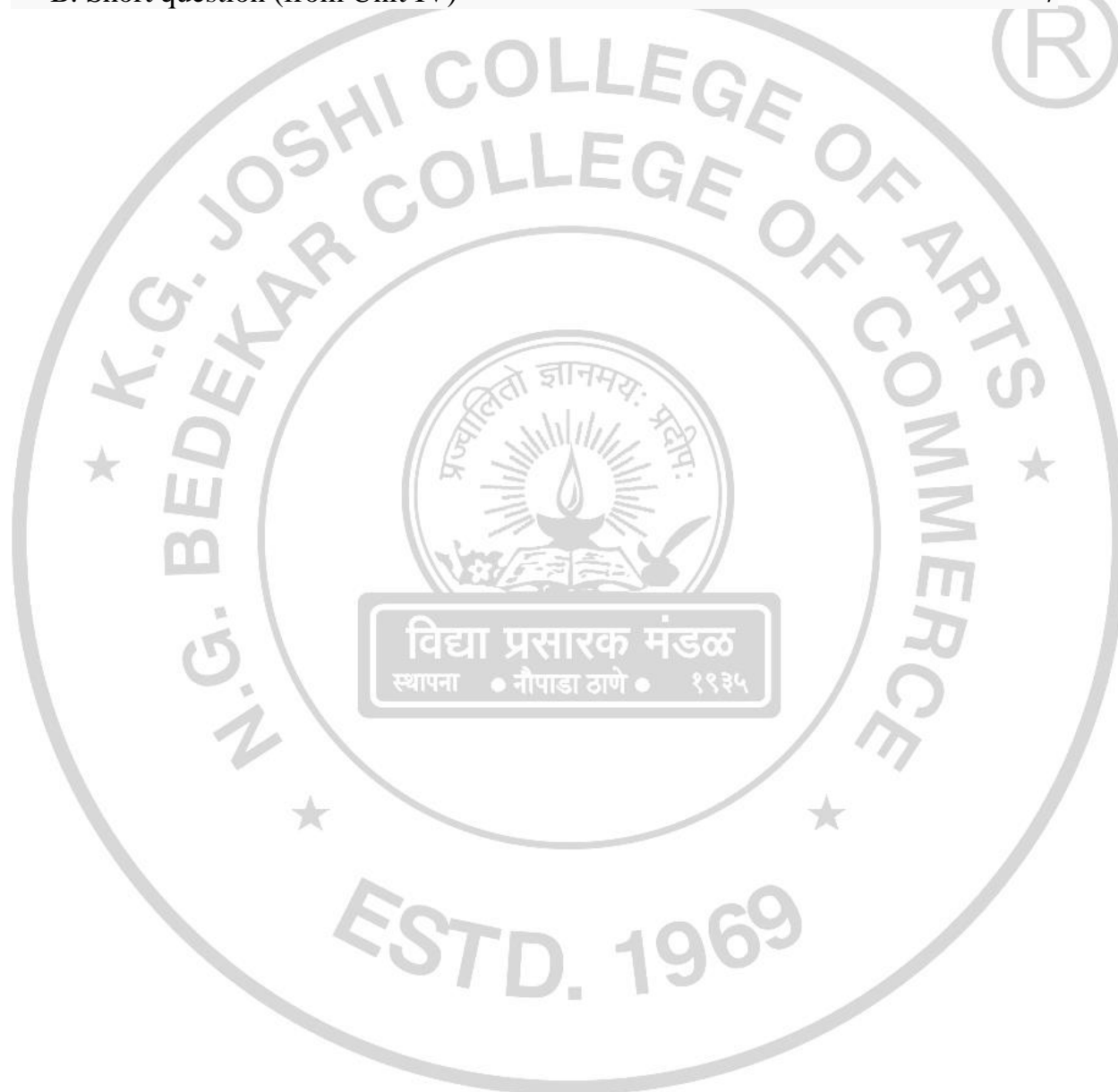
B. Short question (from Unit III) 7

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 II

Economics of banking-II: Paper III

Course Nomenclature: Economics of Banking-II

Course Code: : JBCPABEC203

COURSE OUTCOMES

1. To help the students understand the various theories of money.
2. To acquaint the students with the Indian money market and Banking
3. To Familiarize students with the modern commercial banking.
4. To explain the learners about International Banking

Syllabus

Module-I Theories of Money (12)

Value of money - Measurement and determination - Theories of Value of Money- Cambridge equations, the Cash Balances Approach - The currency and credit schools- The Real Balance Effect, Wicksell's contribution - Keynesian Theory of Money and Prices – Inflation - Monetary theories of business cycles.

Module-II Indian Money Market and Banking (12)

Structure of financial market in India- Money markets instruments in India- Money Market Reforms - Role of commercial banks in the money market –Development banking in India – All India Financial Institutions: IFCI, IDBI, and ICICI – Commercial Banks and Capital Markets.

Module-III Modern Commercial Banking (12)

Investment Banking – Wholesale Banking and Retail Banking – Merchant Banking – International Banking Functions – Status of Indian Foreign Exchange Banks - Operations of Foreign Branches of Indian Commercial Banks – EXIM Bank of India, Venture Capital.

Module-IV International Banking (12)

Forms of International Banks – Global Trends in International Banking – Role of Banks in International Trade and Payments – International Financial Centers – Offshore Banking Units & SEZs – Mumbai Money Market - Mumbai as an International Financial Centre.

References:

1. Chandlar, L. V. and S. N. Goldfield (1977). Economics of Money & Banking and Financial Markets, 7/e, Harpar and Row, New York
2. David T. Llewellyn, The New Economics of Banking. Amsterdam, 1999. ISBN 90-5143-028-0.
3. Frederic S. Mishkin “The Economics of Money, Banking and Financial Markets (11th Ed.) Pearson.
4. Grapple, J.O International Financial Markets, Elsevire, New York
5. International Banking, Indian Institute of Banking & Finance, First Edition 2010, Macmillan Publishers India Limited.
6. International Banking Operations, Indian Institute of Banking & Finance, First Edition 2010, Macmillan Publishers India Limited.
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2	Assignment/Project	15
3	Class Participation	05
	Total:	40

B.External Examination: 60%- 60 Marks

Semester End Theory Examination Time: 2 hours

- NB. 1. All questions are compulsory.
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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

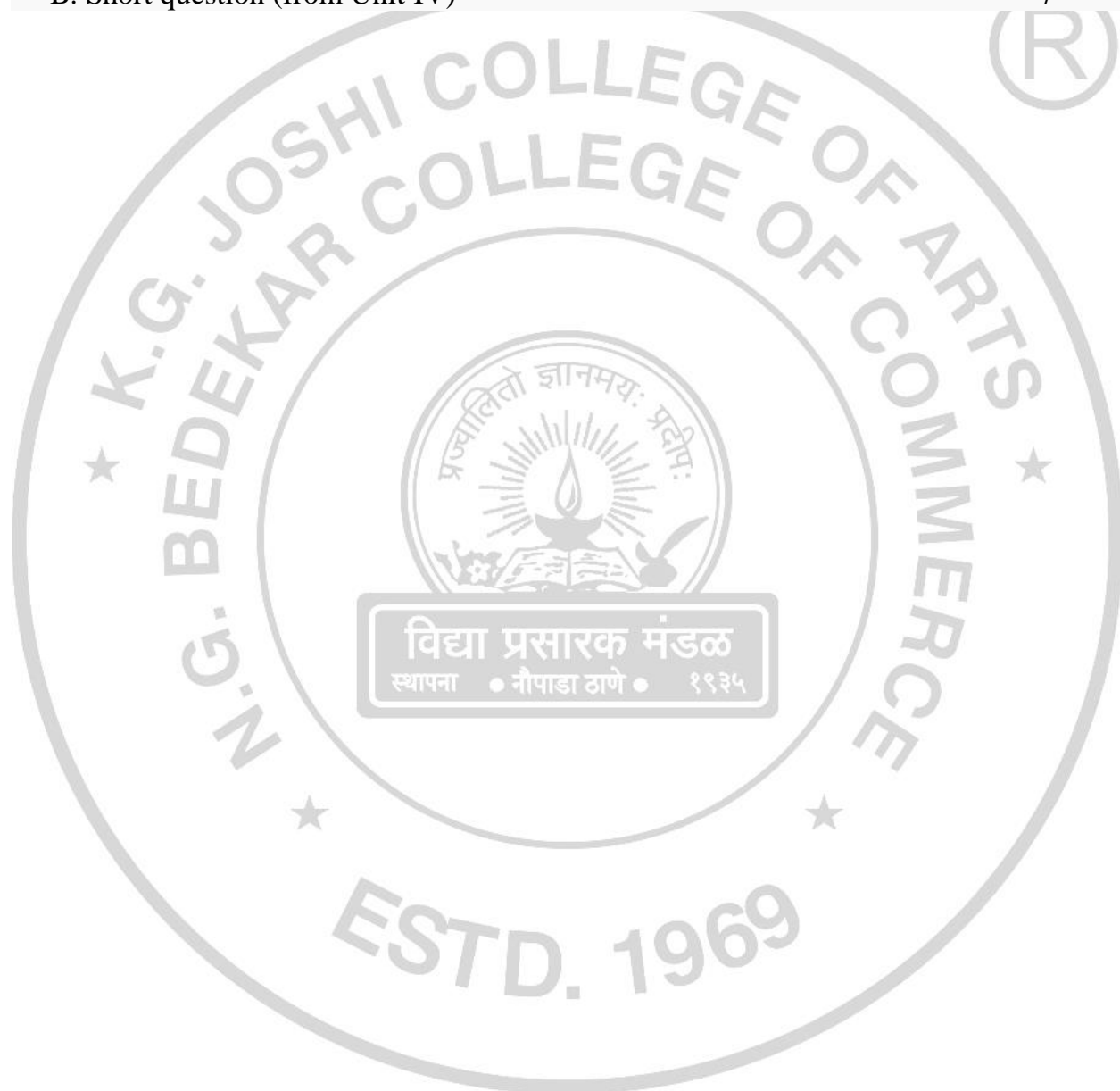
B. Short question (from Unit III) 7

4. Full length question (from Unit IV) 15

OR

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

B. Short question (from Unit IV) 7





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Mode of Delivery: Offline (Online, in case of emergency)

DISTRIBUTION OF TOPICS AND CREDITS

Paper No	Paper Name	Semester	Course Nomenclature	Course Code	Credits
1	Business Economics	I	Economics of Insurance -I	JBCPABEC104	3
		II	Economics of Insurance-II	JBCPABEC204	3

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PROGRAMME OUTCOMES: MA Business Economics

PO	PO Description
PO1	To impart knowledge about micro and macro economic aspects pertaining to the functioning of the economy
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**(Credit Based Semester and Grading System with effect
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PROGRAMME - SPECIFIC OUTCOMES: Business Economics

PSO	PSO Description
PSO1	To equip the students to understand the concepts of consumer preferences, income effect, substitution effect and General Equilibrium v/s Partial Equilibrium.
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PSO6	To introduce the students to the fundamentals of life and health insurance and General insurance.

Semester- I

Economics of Insurance-I: Paper IV

Course Nomenclature: Economics of Insurance-I

Course Code: JBCPABEC104

COURSE OUTCOMES

1. To equip the students to understand the concepts of insurance, risk, liability, uncertainty and so on.
2. To acquaint the students to understand the basic concepts of insurability, provisions of policies.
3. To provide insight into basic types of insurance and their working in risk management.
4. To help the students understand the construction of premium, underwriting of insurance.
5. To introduce students to various methods of distribution and marking of insurance.
6. To familiarise the students with fundamental concepts of technology development and its impact on insurance

Syllabus

Lectures

Module-I Introduction

(12)

Economic Security- Human quest for economic security through time- Exposure to losses- Role and definition of insurance- Risk pooling and risk transfer- Economic and legal perspectives, Functions of Insurance, Classification of Insurance, Limitations of Insurance, Concept of short term risk- Basics of the following concepts - Common law, equity, proposal/accidence, indemnity, insurable interest, contribution subrogation- representation- utmost good faith, material fact, physical hazard, moral hazard, policy endorsements conditions/warranties

Module-II Fundamentals of Risk and uncertainty

(12)

Fundamentals of uncertainty & risk- Pure risk & speculative risk- Expected utility and decision-making under uncertainty- Expected utility & demand for the insurance- Moral hazard and insurance demand Concept of risk management- Essentials of risk management- Elements of risk assessment- Risk control & risk financing. Worldwide risk sharing- concept of reinsurance, types of re-insurers- Reinsurance distribution systems, reinsurance markets in developing countries-Selection & classification of risks- Basics of premium construction- valuation and distribution of surplus

Module-III Life and health insurance

(12)

Fundamentals of life & health insurance- Functions of life & health insurance- Mathematical basis of life insurance- Plans of life insurance- Legal aspects of life insurance- Provisions of policies- Individual health insurance- Uses and types of evaluation- Principles of underwriting of life & health insurance, Group insurance.

Module-IV General Insurance

Definition, types and importance of general insurance- Concept of short term risk, Nature and uses of Fire Insurance, Motor Insurance, Personal Accident, Travel Insurance-technology development and general insurance

REFERENCES:

- 1) Dionne, G. and S.E. Harrington (eds.) (1997), Foundations of Insurance Economics, Kluwer academic Publishers, Boston
- 2) Meier. K.J. (1998), The Political Economy of Regulation : The Case of Insurance, The State University of New York Press, Albany, N.Y
- 3) Black. K. Jr. and H.D. Skipper Jr.(2000), Life & Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- 4) Pfeiffer, I. And D.R. Klock (1974), Perspectives on Insurance, Prentice Hall Inc., Englewood Cliffs.
- 5) Williams Jr., C.A. M.L. Smith and P.C.Young (1995), Risk Management and Insurance, McGraw Hill, New York.
- 6) Skipper Jr., H.D.(ed.) (1998), International Risk & Insurance : An Environmental Managerial Approach, Irwin McGraw Hill, Boston.
- 7) United Nations Conference on Trade and Development (1987), the Promotion of Risk Management in Developing Countries, UNCTAD, Geneva.
- 8) Insurance Institute of India, Life Assurance Underwriting, (IC-22), Mumbai.
- 9) Insurance Institute of India, General Insurance Underwriting, (IC-22), Mumbai.
- 10) Government of India (1998), Old Age and Income Security (OASIS) Report (Dave Committee Report), New Delhi.
- 11) Insurance Regulation and Development Authority (2001), IRDA Regulations, New Delhi.

Modality of Assessment

A. Internal Assessment: 40% - 40 Marks

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

B. 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

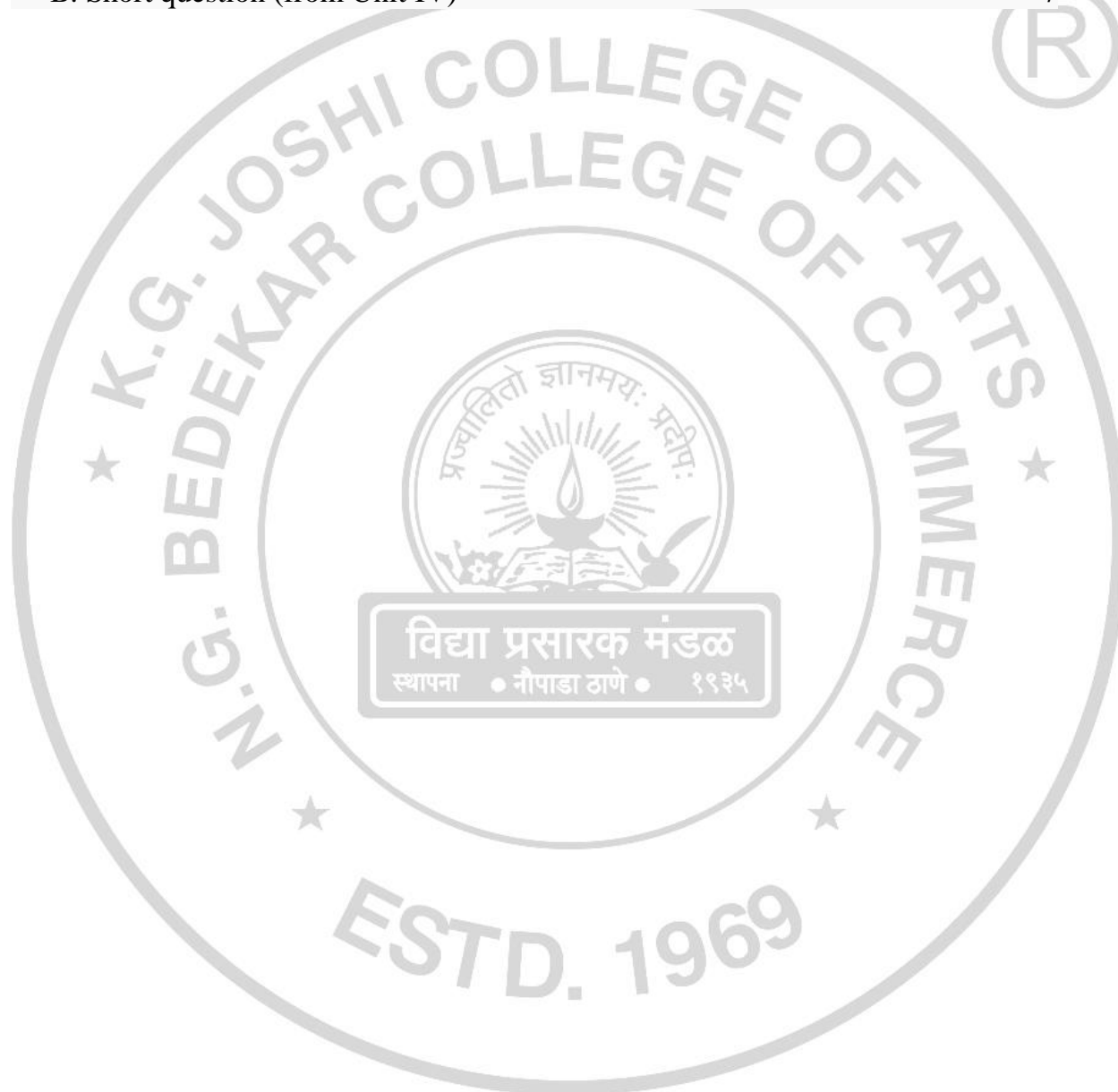
B. Short question (from Unit III) 7

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 II

Economics of Insurance-II: Paper IV

Course Nomenclature: Economics of Insurance-II

Course Code: JBCPABEC204

COURSE OUTCOMES

1. To acquaint the students with objectives of Wealth accumulation planning and individual retirement planning through insurance.
2. To make students understand the importance of social insurance and Government of India's social insurance initiatives.
3. To explain the learners about the history, recent trends and performance of insurance sector in India.
4. To familiarise the students with fundamental concepts of World-wide risk sharing and Re-insurance.

Syllabus

MODULE 1: PLANNING FOR WEALTH THROUGH INSURANCE (12)

Wealth accumulation planning; Life cycle planning; Planning for accumulation, objectives; Purchase of insurance and accumulation planning; Investments – Tax-advantaged and tax non-advantaged; Essentials of individual retirement planning; Analysis of retirement; Income needs, Retirement planning strategies; Investing for retirement, Pension plans; Basic principles of pension plans; Pension plans in India; Estate Planning; Process of estate Planning; Estate Planning tools; Life insurance for estate liquidity.

MODULE 2: Insurance and Social Welfare (12)

Social Insurance: Need and characteristics, Social Insurance in India, Social Insurance schemes of LIC, Rural Insurance : Need and potential of rural insurance, crop insurance- advantages and limitations, IRDA provisions on obligations of insurers to rural and social sector, Provident Funds and Pension Funds

MODULE 3: Insurance Sector In India (12)

History of insurance in India, Insurance Sector: Recent trends, issues and challenges, Role of Insurance Regulatory and Development Authority; Set up and management of insurance companies in India, Future outlook and Growth drivers of insurance sector in India

MODULE 4: Worldwide risk sharing (12)

Concept of Worldwide risk sharing and reinsurance, types of re-insurers- Reinsurance distribution systems, reinsurance markets in developing countries, Re-insurance scenario in India.

REFERENCES:

- 1) Benjamin, B. (1991), General Insurance, Heinemann, London.
- 2) Black, K. Jr. and H.D. Skipper Jr. (2000), Life and Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- 3) Black, K.Jr. and H.D. Skipper Jr. (2000), Life and Health Insurance, Prentice Hall, Upper Saddle River, New Jersey.
- 4) Brockelt, P.L., R.C. Witt and P.R. Hind (1991), An Overview of Reinsurance and the Reinsurance Markets, Journal of Insurance Regulation, Volume 9, No.3.
- 5) Casner, A.J. (1995), Estate Planning, Little Brown, Boston.
- 6) Dionne, G. and S.E. Harrington (Eds.) (1997), Foundations of Insurance Economics, Kluwer Academic Publishers, Boston.
- 7) Drofman, M.S. (1994), Risk and Insurance, Prentice Hall, Englewood-Cliffs.
- 8) Elliot, M.W., B.L. Webb, H.N. Anderson and P.R. Kensicki (1995), Principles of Reinsurance, Insurance Institute of America, Malvern, Pa.
- 9) Friedmann, M. and L.J. Savage (1947), The Utility Analysis of Choices Involving Risk, Journal of Political Economy, Vol.56.
- 10) Government of India (1998), Old Age and Income Security (OASIS) Report
- 11) Skipper, Jr., H.D. (Ed.) (1998), International Risk and Insurance: An Environmental Managerial Approach, Irwin McGraw Hill, Boston.
- 12) Yarri, M.E. (1965), 'Uncertain Life Time, Life Insurance and the Theory of Consumer, 'Review of Economic Studies, Volume 32.



Modality of Assessment

A.Internal Assessment: 40% - 40 Marks

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

B.External Examination: 60%- 60 Marks

Semester End Theory Examination

Time: 2 hours

- NB.
1. All questions are compulsory.
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 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

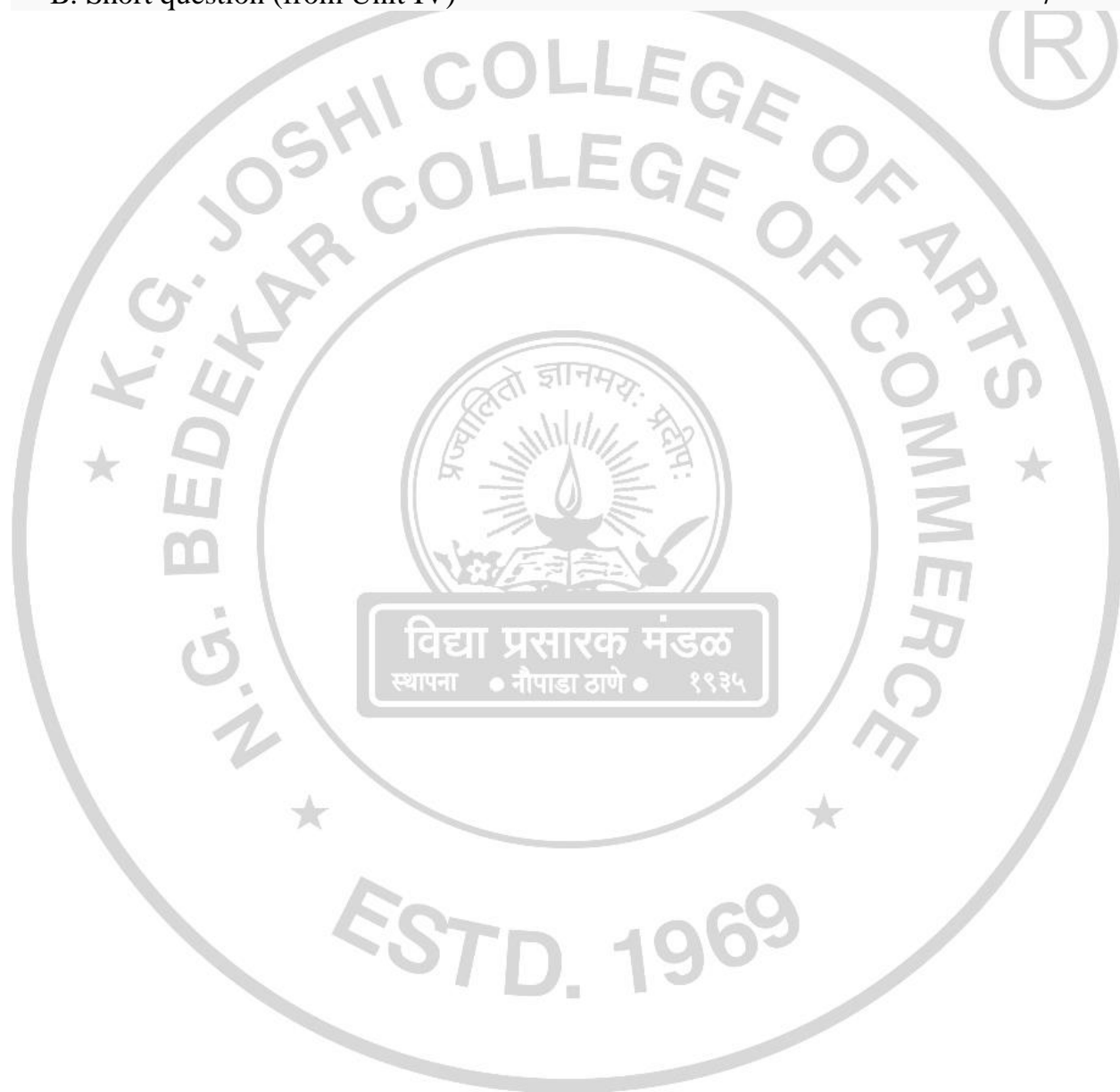
B. Short question (from Unit III) 7

4. Full length question (from Unit IV) 15

OR

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B. Short question (from Unit IV) 7





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Mode of Delivery: Offline (Online, in case of emergency)

DISTRIBUTION OF TOPICS AND CREDITS

Paper No	Paper Name	Semester	Course Nomenclature	Course Code	Credits
1	Business Economics	I	Macro Economic Analysis-I	JBCPABEC102	3
		II	Macro Economic Analysis-II	JBCPABEC202	3

**(Credit Based Semester and Grading System with effect
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PROGRAMME OUTCOMES: MA Business Economics

PO	PO Description
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PROGRAMME - SPECIFIC OUTCOMES: Business Economics

PSO	PSO Description
PSO1	To equip the students to understand the concepts of consumer preferences, income effect, substitution effect and General Equilibrium v/s Partial Equilibrium.
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Semester- I

Macro Economic Analysis -I: Paper II

Course Nomenclature: Macro Economic Analysis -I

Course Code: JBCPABEC102

COURSE OUTCOMES

- 1.To help the students understand the concept and measurement of National Income Accounting
- 2.To acquaint the students with the Keynesian theory of income, output and employment.
- 3.To Familiarise the students with the concept of demand form money and supply of money
- 4.To explain the learners about the Consumption function

Syllabus

Lectures

Module 1 : National Income Accounting (12)

National Income – Concept and Measurement – GDP – GNP – Different forms of national income accounting: Social accounting, flow of funds accounting and balance of payments accounting- Difficulties in the Measurement of National Income - Social Accounting – Presentation of Social Accounts - Importance of Social Accounting – Difficulties in Social Accounting.

Module 2: Economics of aggregates (12)

Classical Theory of Income, Output and Employment – Keynesian Theory of Income, Output and Employment – Say’s Law of Market – Principles of Effective Demand – Importance of Effective Demand – Aggregate Demand and Aggregate Supply

Module 3: Demand for money and Supply of Money (12)

Classical Approach to Demand For Money – Fisher and Cambridge- Keynesian approach - Liquidity Preference Theory: Transaction, Precautionary and Speculative Demand for Money-

Milton Friedman's Approach – Wealth theory- Portfolio balance Approach – Baumol and

Tobin. - Components of money supply. Measurement of money supply- RBI Approach to Money Supply -M1, M2, M3- High Powered Money and Money Multiplier- Budget Deficits and Money Supply - Money Supply and Open Economy- Control of Money Supply

Module 4: Consumption Function (12)

Keynes, psychological law of consumption – implication of the law - short-run and long-run consumption function- Empirical evidence on consumption function- Income – consumption relationship – absolute income, relative income, life cycle and permanent income hypotheses.

REFERENCES

- 1)D'Souza, Errol (2008), Macroeconomics, Pearson Education, Delhi.**
- 2)Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.**
- 3)Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,**
- 4)Keynes, J.M (1936) : General Theory of Employment, Interest and Money**
- 5)Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications**
- 6)Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi**

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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

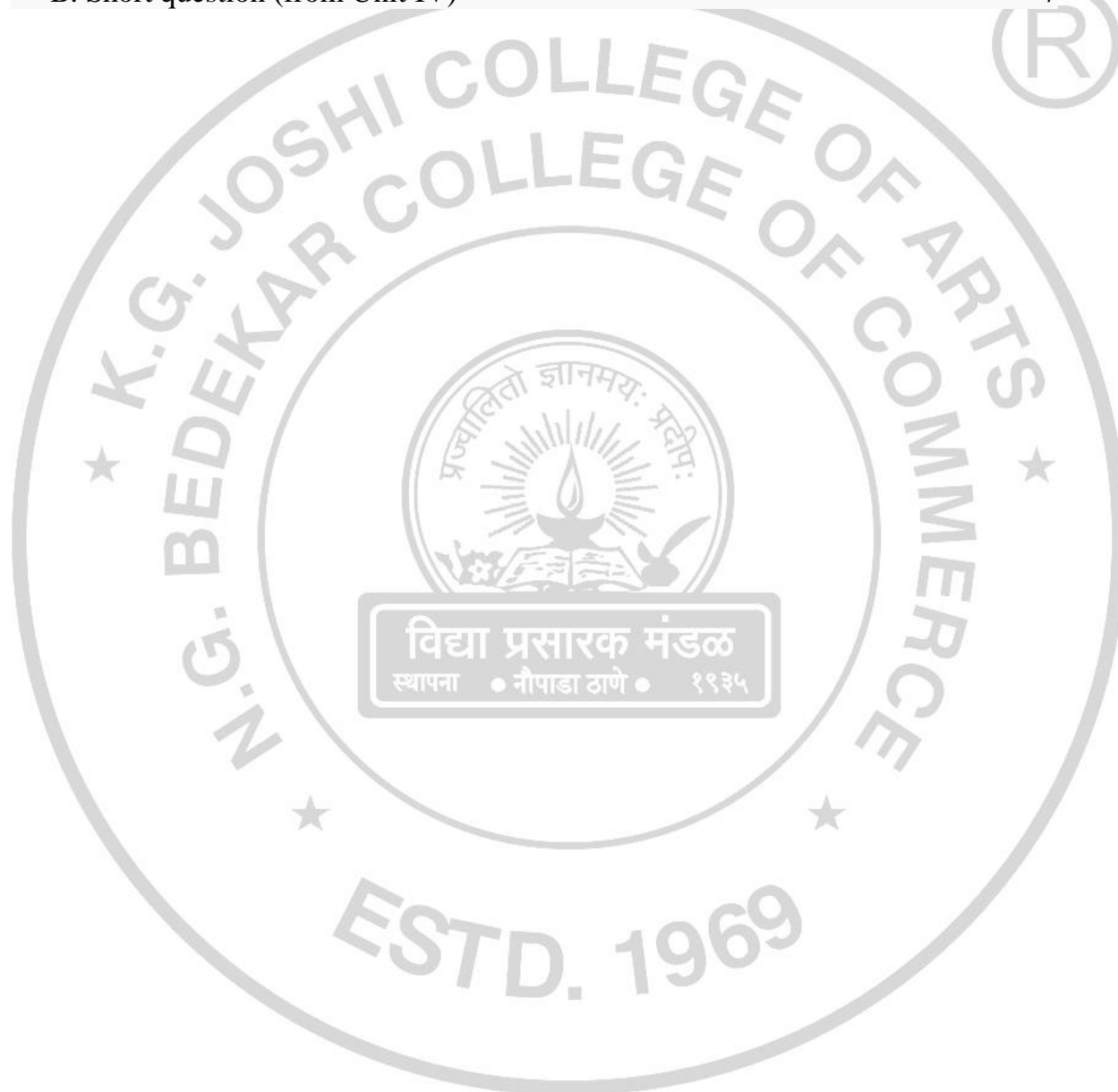
B. Short question (from Unit III) 7

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 II

Macro Economic Analysis -II: Paper II

Course Nomenclature: Macro Economic Analysis-II

Course Code: JBCPABEC202

COURSE OUTCOMES

- 1.To help the students understand the various Macro Economics policies
2. To acquaint the students with the Theory of Inflation and Trade Cycle
- 3.To Familiarize students with the issues in stabilization policies.
- 4.To explain the learners about macroeconomics from open economy point of view

Syllabus

Module-I Macro Economic Policies (12)
Monetary Policy – Fiscal Policy – Income Policy – Neo–Classical Policy – Austrian Policy – The Austrian Critique of Keynesian economics – Post – Keynesian Policy and the deficit

Module-II Theory of Inflation & Trade Cycle (12)
Classical, Keynesian Monetarist Approach to Inflation- Structuralism Theory – Inflation – Phillips curve Analysis – Samuelson and Solow. The Natural Rate of Unemployment Hypothesis, Tobins Modified Phillips Curve.

Module-III Issues in Stabilization Policies (12)
Lags in the Effects of Policy – The Role of Expectations – Uncertainty and Economic Policy– Budget deficit and inflation – the mechanics of financing the budget – Income Policies – Supply side economics – The Laffer Curve – Monetarism Vs. Fiscalism – The Portfolio Approach – Crowding out Effect – Fine tuning or Stable Policy Setting.

Module-IV Macroeconomics: From Open Economy point of view (12)

Market for foreign exchange, devaluation and depreciation, real and nominal exchange rate, factors affecting exchange rate, Mundell-Fleming model, fixed versus floating exchange rate, price adjustment, role of fiscal and monetary policies under alternative exchange rate regimes, purchasing power parity concept

REFERENCES:

- 1) D'Souza, Errol (2008), Macroeconomics, Pearson Education, Delhi.
- 2) Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.
- 3) Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,
- 4) Keynes, J.M (1936) : General Theory of Employment, Interest and Money
- 5) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications
- 6) Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi



Modality of Assessment

A.Internal Assessment: 40% - 40 Marks

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

B.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

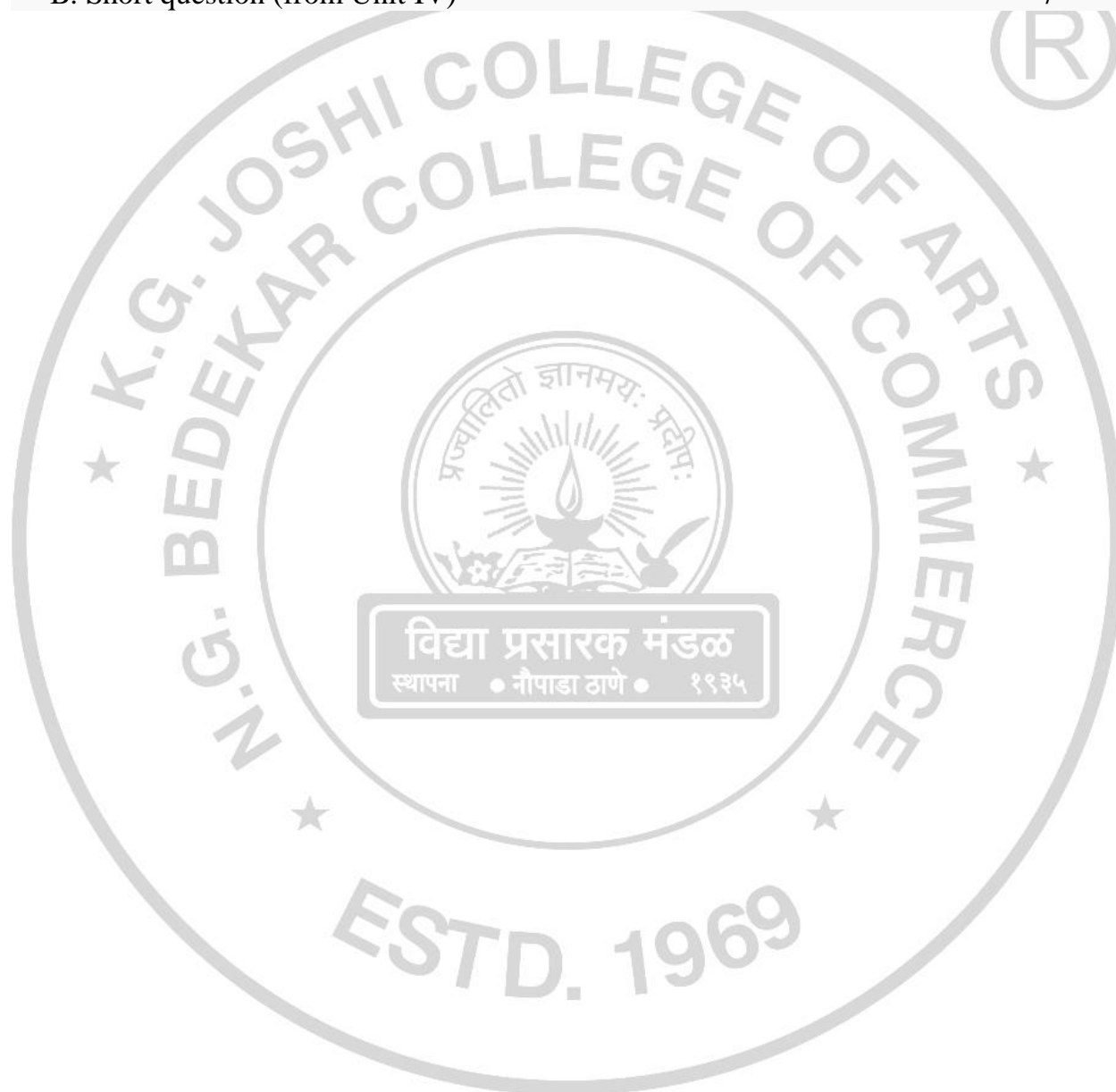
B. Short question (from Unit III) 7

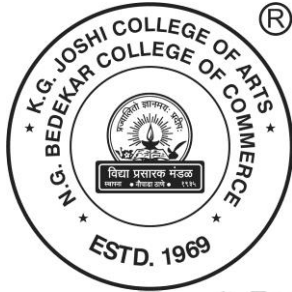
4. Full length question (from Unit IV) 15

OR

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

B. Short question (from Unit IV) 7





Vidya Prasarak Mandal's
K.G. Joshi College of Arts & N.G. Bedekar College of
Commerce
(Autonomous)
(Affiliated to University of Mumbai)

Syllabus for MA Business Economics

Program:MA Business Economics.

Specific Programme: Business Economics (JBCPABEC)

Year of Establishment: 1969

Year of Upgrading: 2022-23

Specific Programme: Business Economics JBCPABEC

PREAMBLE

This course is designed to give exposure to the students to the basic principles of the market economy. It will help the students to understand the decision-making process of business. It will enable students to learn microeconomics, macroeconomics and its application to business Economics. It also helps the students to understand the economics of Banking and Economics of Insurance.

Eligibility: A student must have successfully cleared BA, BCom or BSc graduation course.

Programme Duration: Two years (Entire MA Business Economics 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
1	Business Economics	I	Micro Economic Analysis-I	JBCPABEC101	3
		II	Micro Economic Analysis-II	JBCPABEC201	3

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

PROGRAMME OUTCOMES: MA Business Economics

PO	PO Description
PO1	To impart knowledge about micro and macro economic aspects pertaining to the functioning of the economy
PO2	To acquaint the learners with basic concepts of micro and macro economic analysis, Banking and Insurance and other socio-economic issues related to commerce and management.
PO3	To make the learners aware about basic concepts of Growth, Development and Sustainability, International trade and Practices along with the recent trends and developments in it
PO4	To give a working knowledge in respect of Indian Economic policies and their implications
PO5	To make the learners aware about various aspects of Indian financial system, important financial institutions and recent development in it

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

PROGRAMME - SPECIFIC OUTCOMES: Business Economics

PSO	PSO Description
PSO1	To equip the students to understand the concepts of consumer preferences, income effect, substitution effect and General Equilibrium v/s Partial Equilibrium.
PSO2	To acquaint the students to understand basic analytical tools of Microeconomics and different market structures
PSO3	To provide insight into the theories of firm and basic Macro Theories of Distribution and Economics of Uncertainty.
PSO4	To help the students understand the concepts of National Income accounting, demand for money and supply of money.
PSO5	To acquaint the students with the money market and banking structure in India.
PSO6	To introduce the students to the fundamentals of life and health insurance and General insurance.

Semester- I

Micro Economic Analysis -I: Paper I

Course Nomenclature: Micro Economic Analysis -I

Course Code: JBCPABEC101

COURSE OUTCOMES

1. To equip the students to understand the concepts of consumer preferences, income effect, substitution effect and General Equilibrium v/s Partial Equilibrium.
2. To acquaint the students to understand the basic concepts of production and cost.
3. To provide insight into basic analytical tools of microeconomics.
4. To help the students understand the different types of market structures.
5. To introduce students to various Micro economic theories.
6. To familiarise the students with fundamental concepts of market failures, price discrimination and tax incidence

विद्या प्रसारक मंडळ

स्थापना • नौप Syllabus १९३५

Lectures

Module 1: Introduction and Basic Concepts. (12)

Consumer preferences, opportunity sets, optimum choices, indirect utility demand functions, income and substitution effects, Slutsky equation, normal versus inferior goods, types of demand functions, elasticity, welfare evaluation, consumer surplus, equivalent variation and compensating variation, revealed preference- Concept of Equilibrium: General Equilibrium v/s Partial Equilibrium -Walrasian theory of General Equilibrium

Module 2: Production and Cost (12)

Production functions, types of production functions- Marginal products, rate of technical substitution, technical progress, cost functions, average and marginal costs, short run versus long run costs, Economies of scale and scope, Profit maximization,

Cost minimization, derivation of input demand- Short Run and Long Run Cost Curve.

Module 3: Competition and Markets

(12)

Assumptions of perfect market, competitive markets – demand and supply, demand and supply curves of individual firms, short-run versus long-run, competitive market equilibrium, tax incidence analysis, price-controls and shortages- Market failure, imperfect markets – monopolistic competition and oligopoly, sources of monopoly power, monopoly market equilibrium, price discrimination – first, second and third degree, tax incidence .

Module 4: Micro economic theories (12)

The theories of Rent: Ricardian and modern theory of rent, concept of Quasi rent – Theory of interest: Classical theory of interest, Loanable Funds theory, Keynes liquidity preference theory of interest, Modern theory of interest- Theory of Profits.

REFERENCES:

- 1) Ahuja H. L., Advanced Economic Theory : Microeconomics Analysis, 13th Edition, S. Chand and Co. Ltd., New Delhi.
- 2) Baumol, W.J. (1982): Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.
- 3) Dewett K. K., Modern Economic Theory, S. Chand & Company Ltd., Revised Edition, 2005. 4) Koutsoyiannis, A. (1979): Modern Microeconomics, 2nd ed., Macmillan Press, London.
- 5) Kreps, David M (1990): A Course in Microeconomic Theory, Princeton University Press, Princeton.

Modality of Assessment

A. Internal Assessment: 40% - 40 Marks

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

B. 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

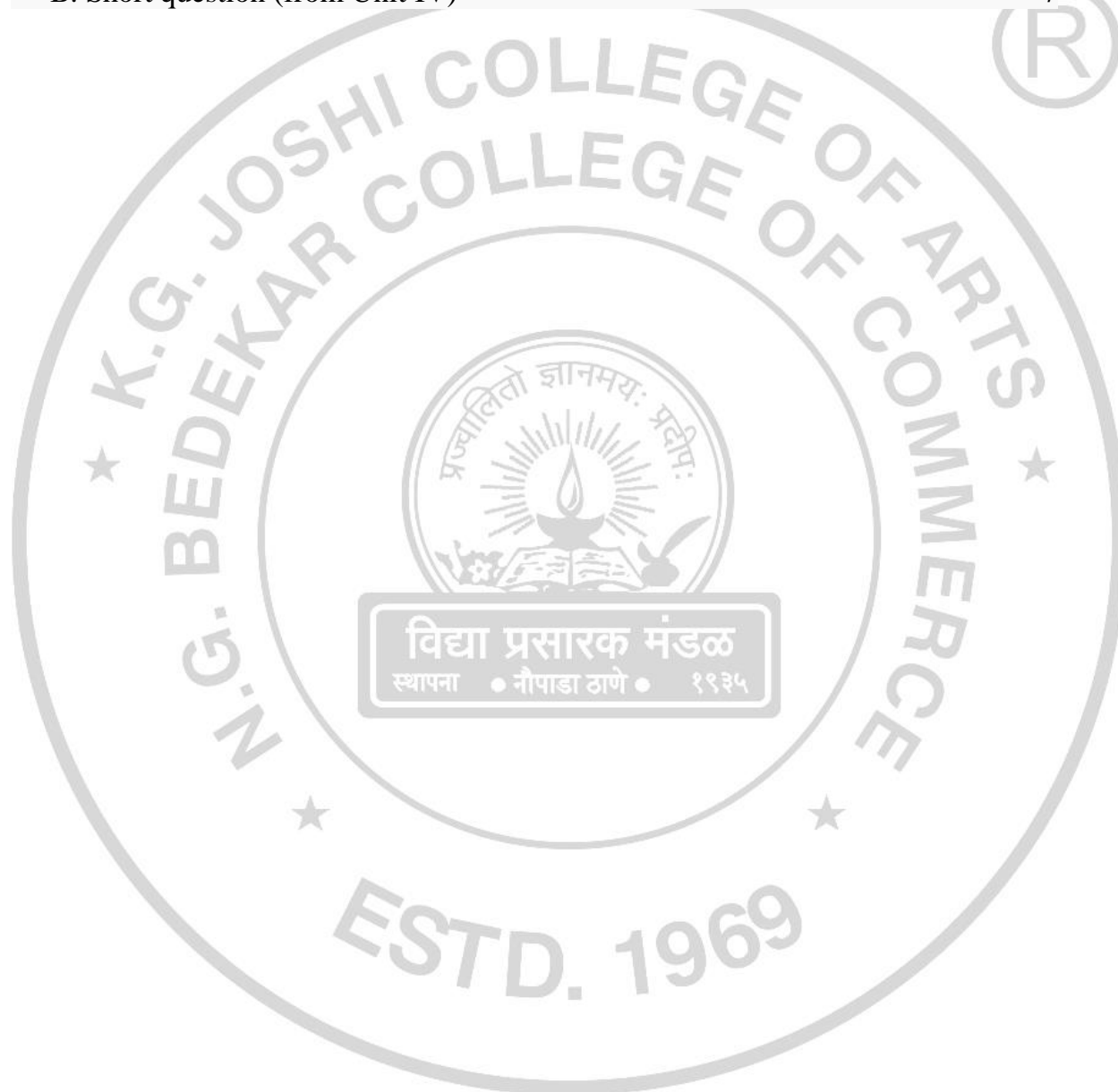
B. Short question (from Unit III) 7

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 II

Micro Economic Analysis -II: Paper I

Course Nomenclature: Micro Economic Analysis-II

Course Code: JBCPABEC201

COURSE OUTCOMES

1. To acquaint the students with objectives of modern firm and different theories of firm.
2. To make students understand the Macro theories of distribution.
3. To explain the learners about the concept of Welfare Economics.
4. To help the students to understand the individual behaviour towards risk, Economics of insurance, cost and risk spreading.

Syllabus

Module-I Theories of the firm (12)

Objectives of modern Firm- Baumol's Sales Revenue Maximization Model- Williamson's Model of Managerial Discretion- Marris Model of Managerial Enterprise, The Hall and Hitch Report – Full Cost Pricing Rule- Bain's Limit pricing theory and its recent developments including Sylos- Lobini's Model- Behavioral Model of the Firm

Module-II Distribution (12)

Neo-Classical Approach – Marginal Productivity Theory – Product Exhaustion Theorem Technical Progress and Factor Shares- Theory of Distribution under Imperfect Product and Factor Markets, Macro Theories of Distribution Ricardian, Marxian and Kalecki

Module-III Welfare Economics (12)

Pigou's concept of welfare economics-Pareto Optimal Conditions- Paretian Welfare Criterion – Value Judgment, Social Welfare Function- Compensation Principle- Inability to obtain Optimum Welfare – Imperfections Market Failure, Decreasing

Costs, uncertainty and Non-Existent and Incomplete Markets- Theory of Second Best – Arrow's Impossibility Theorem, Rawl's Theory of Justice, Equity – Efficiency Trade-Off.

Module-IV Economics of Uncertainty (12)

Individual Behaviour towards risk, Expected utility and certain Equivalence Approaches, Risk and risk aversion, Game and Insurance, the Economics of Insurance, cost and risk spreading

REFERENCES:

- 1) Koutsoyiannis A (1985), 'Modern Micro Economics' Macmillan Press Ltd.,
- 2) Ahuja H.L. (1982), 'Advanced Economic Theory' S. Chand & company Ltd., New Delhi.
- 3) Chopra P.N (1981), 'Advanced Micro Economics' Kalyani Publications
- 4) Layard, P.R.G. and Walters, A.A. (1978). Microeconomic Theory, McGraw Hill, New York.
- 5) Little, I.M.D. (1957). Critique of Welfare Economics (2nd edition), Oxford University Press, Oxford.

Modality of Assessment

A.Internal Assessment: 40% - 40 Marks

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

B.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

