

F.Y. B.Com.

BUSINESS ECONOMICS – I

SEMESTER- I

Module – I - Demand Analysis

Demand Function and determinants of demand – Concept and Importance of Elasticity of Demand: Income, Cross and Promotional – Consumer's Surplus – Demand Forecasting: meaning, significance and methods – Case Studies. **(15 Lectures)**

Module – II - Theory of Production and Cost

Production function; Short Run and Long Run – Law of Variable Proportions – Iso-quants – Producer's

Equilibrium – Returns to Scale – Economies of Scale – Case Studies. Cost Concepts: Social and Private costs, Economic and Accounting Costs, Fixed and Variable Costs, Opportunity Cost – Behavior of Cost Curves:

Short Run and Long Run – Producer's Surplus - Case Studies. **(15 Lectures)**

Module – III - Revenue Analysis

Revenue Concepts: Total Revenue- Average revenue and Marginal Revenue under Perfect Competition and

Monopoly – Objectives of a Firm: Profit, Sales and Growth Maximization – Types of Profit – Break-Even

Analysis – Case Studies. **(15 Lectures)**

SEMESTER- II

Module – I - Market Structure

Short-run and long-run equilibrium of a firm and Industry under perfect competition – Sources of monopoly –

Short-run and long-run equilibrium of a firm under monopoly – Features: Monopolistic Competition and

Oligopoly – Case studies **(15 Lectures)**

Module – II - Pricing Practices and Market Failure

Pricing Practices: Price Discrimination, Dumping, Marginal-cost pricing, Cost-plus pricing, Multiple-product

pricing. Market Failure: Concept of market failure and inefficiency (Productive and allocative inefficiency using PPC) – Causes of market failure (Public goods, Market power, Externalities, Information asymmetry and Equity) – Government intervention and market efficiency – Case studies **(15 Lectures)**

Module – III - Capital Budgeting

Capital Budgeting: Meaning and Importance- Investment Criteria: Pay Back Period Method, Net Present

Value Method, and Internal Rate of Return Method - Case Studies. **(15 Lectures)**

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BUSINESS ECONOMICS

SYLLABUS FOR SEMESTER III and IV

Section I – Ist Term (June to October)

SEMESTER – III

1. Macroeconomics: Theory of Income and Employment

Circular Flow of Income: Closed (two and three sector models) and Open Economy Models – Trade Cycles: Features and Phases – Concept of Aggregate Demand – Keynes' Theory of Income Determination – Theory of Multiplier – Acceleration Principle – Super-multiplier **(15 Lectures)**

2. Monetary Economics

Supply of Money: Concept, Constituents and Determinants of Money Supply – Velocity of Circulation of Money: Meaning and Factors Determining – Demand for Money:

Keynes' Theory of Demand for Money – Liquidity Preference Theory of Rate of Interest – Inflation: Concept and Rate of Inflation – Demand Pull and Cost Push Inflation – Phillips Curve – Causes, Effects and Measures to Control Inflation. **(15 Lectures)**

3. Banking and Integration of Product and Money Market Equilibrium

Commercial Banking: Assets and Liabilities of a Commercial Bank – Tradeoff between Liquidity and Profitability – Money Multiplier – Monetary Policy: Objectives and Instruments – Fiscal Policy: Objectives and Instruments – IS-LM Model: Framework, Impact of Fiscal and Monetary Policy Changes. **(15 Lectures)**

SEMESTER – IV

1. Basic Issues in Economic Development

New Economic Policy 1991: Rationale and Key Policy Changes – Trends in National Income and Per Capita Income – Sectoral Composition of National Income and Occupational Structure – Inclusive Growth – Progress of Human Development Index in India (Post 1991): Health, Gender Related Development and Economic Indicators – Government Policy with respect to Education and Health – Recent Trends in Employment – Problems of Unemployment. **(15 Lectures)**

2. Agriculture, Industry and Service Sectors

Trends in Agricultural Production and Productivity – New Agricultural Policy, 2000 and Recent Policy Measures – Public Distribution System and Food Security – WTO and Indian Agriculture – Industrial Development since 1991: Growth and Diversification – MRTP and Competition Act – Comprehensive Policy Package for SSIs, 2000 and Recent Policy Measures – Service Sector: Growth & Performance since 1991.

(15 Lectures)

3. Banking and Monetary Policy Since 1991

Banking Sector Reforms since 1991: Rationale and Measures – Structure of Banking in India – Performance of Commercial Banks – Developmental and Promotional Functions of RBI – RBI's Recent Measures of Money Supply – Inflation: Trends and Causes – Recent Changes in Monetary Policy in India.

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SECTION – I (From June – September)

Module: 1 – Commercial Banking

1. Commercial Banking – Assets and Liabilities of Commercial Banks – Trade-off between Liquidity & Profitability.
2. Banking Sector Reforms: Measures, Performance with respect to Public, New Private and Foreign Banks in the Post Reforms Period – New Technology in Banking in India.

Module: 2 – Central Banking

Changing Trends in Monetary Policy in India – RBI's Short Term Liquidity Management – Role and Performance of Micro Finance, Self Help Groups and Composite Credit.

Module: 3 – Financial Markets

1. Money Market: Components and Features of Indian Money Market – Money Market Reforms in India.
2. Capital Market: Significance in Economic Development – Capital Market Reforms – Role of SEBI –

Role and Importance of Mutual Funds, Equity Market, Forward, Future and Commodity Market.

SECTION – II (From October - February)

Module 4 – Public Finance

Changing Trends in Tax and Non-Tax in India – Public Expenditure: Classification of Public Expenditure, Causes for increase in Public Expenditure in India – Public Debt: Meaning and Classification – Burden of Internal & External Debt – Concepts of Deficits: Revenue, Budgetary, Fiscal & Primary Deficits – FRBM Act.

Module 5 – International Trade & WTO

Gains from International Trade – Balance of Trade and Payments – Causes of Disequilibrium in BOP – Measures to Correct Disequilibrium in BOP – Emerging Trends in India's BOP position since 1991 – WTO: Function and Agreements with reference to TRIPS, TRIMS & GATS.

Module 6 – Exchange Rate Determination

Exchange Rate Determination – Purchasing Power Parity Theory – Foreign Exchange Market – Functions and Dealers – Spot and Forward Exchange Rates – RBI's Intervention and Foreign Exchange Rate Management.