



**Janardan Bhagat Shikshan Prasarak Sanstha's**  
**CHANGU KANA THAKUR**  
**ARTS, COMMERCE & SCIENCE COLLEGE, NEW**  
**PANVEL (AUTONOMOUS)**

**Re-accredited 'A+' Grade by NAAC**  
**'College with Potential for Excellence' Status Awarded by UGC**  
**'Best College Award' by University of Mumbai**

**Program: B. Com. with A/F**

**Revised Syllabus SYBAF of Business Economics II**  
**Choice Based Credit & Grading System (60:40)**  
**w.e.f. Academic Year 2020-21**

| <b>Sr. No.</b> | <b>Heading</b>                          | <b>Particulars</b>           |
|----------------|---|------------------------------|
| 1              | Title of Course                         | Business Economics - II      |
| 2              | Eligibility for Admission               | Passing of First year of BAF |
| 3              | Passing marks                           | 40%                          |
| 4              | Ordinances/Regulations (if any)         |                              |
| 5              | No. of Semesters                        | One                          |
| 6              | Level                                   | U.G.                         |
| 7              | Pattern                                 | Semester (60:40)             |
| 8              | Status                                  | Revised                      |
| 9              | To be implemented from<br>Academic year | 2020-21                      |

**Preamble of the Syllabus:**

This course is designed to introduce the students to the basic study of macro-economics, international economics and public finance. Business Economics is the application of economic theory and methodology to business. In the syllabus of business economics, students will study the basic tools of macro-economics, international economics and public finance to understand the overall functioning of the economy. This course is also important for the students to understand the economic environment at macro level. The subject matter helps in dealing with the economic aspects of managerial decisions.

## **Objectives for new Curriculum**

| <b>Sr.No</b> | <b>Objectives</b>   |
|--------------|---|
| 01           | To help the students to understand the concepts related to Macro Economics                      |
| 02           | To integrate the concepts of economics in order to analyze and make optimal business decisions. |
| 03           | Learners will understand the basic economic theories  |

**Course Outcome: By the end of the course, a student should develop the Ability:**

| <b>Sr.No</b> | <b>Outcomes</b>   |
|--------------|---|
| 01           | Learners will understand the concepts related to Macro economics and its applications.        |
| 02           | Help the learners to understand the fundamentals of National Income.                          |
| 03           | Learners will gain the knowledge about various Monetary Policies                              |
| 04           | It will help the learners to understand various components of public finance and Union Budget |
| 05           | To acquaint the learners with various International Trade theories and foreign exchange       |

## **SY B. Com. (Accounting and Finance) Business Economics -II**

For the subject of Business Economics there will be one paper of 60 lectures comprising of four units.

### **Semester-IV**

| <b>Sr. No.</b> | <b>Modules</b>  | <b>No. of Lectures</b> |
|----------------|---|------------------------|
| 1              | Introduction to Macroeconomic Data and Theory           | 15                     |
| 2              | Money, Inflation and Monetary Policy                    | 15                     |
| 3              | Constituents of Fiscal Policy                           | 15                     |
| 4              | Open Economy : Theory and Issues of International Trade | 15                     |
| <b>Total</b>   |   | <b>60</b>              |

### **Scheme of Examination for Semester IV: For SY B.Com (Accounting and Finance)**

Internal Evaluation: 40(20 marks internal test, 15 marks for project work and viva and 05 marks for active participation and overall conduct)

External Evaluation: Semester End Examination: 60 Marks will be as follows:  
All the questions are compulsory.

| <b>Question No</b> | <b>Particular</b>  | <b>Marks</b> |
|--------------------|--|--------------|
| Q-1                | Objective Questions<br><br>Questions to be asked 08 and to be answered any 06<br><br>Questions to be asked 08 and to be answered any 06<br><br>(*Multiple choice / True or False / Match the columns/Fill in the blanks) | 12           |
| Q-2                | Any 2 out of 3<br><br>1.Full Length Question<br><br>2.Full Length Question<br><br>3.Full Length Question   | 12           |
| Q-3                | Any 2 out of 3<br><br>1.Full Length Question<br><br>2.Full Length Question<br><br>3.Full Length Question   | 12           |
| Q-4                | Any 2 out of 3<br><br>1.Full Length Question<br><br>2.Full Length Question<br><br>3.Full Length Question   | 12           |
| Q-5                | Any 2 out of 3<br><br>1.Full Length Question<br><br>2.Full Length Question<br><br>3.Full Length Question   | 12           |

**Choice Based Credit Grading and Semester System (CBCGS)**  
**SY.B. Com. Accounting and Finance Business Economics Syllabus**  
**To be implemented from the Academic Year 2020-2021**  
**Semester- IV- Paper No. II**

| <b>Course Code</b> | <b>Unit</b> | <b>Topics/ Modules</b>                                  | <b>Credits</b> | <b>L / Week</b> |
|--------------------|-------------|---|----------------|-----------------|
| <b>UAF4BE2</b>     | I           | Introduction to Macroeconomic Data and Theory           | 3              | 15              |
|                    | II          | Money, Inflation and Monetary Policy                    |                | 15              |
|                    | III         | Constituents of Fiscal Policy                           |                | 15              |
|                    | IV          | Open Economy : Theory and Issues of International Trade |                | 15              |

**S. Y. B. COM. (Accounting and Finance)**

**Semester-IV, Paper -II**

| Sr. No. | Modules / Units   |
|---------|---|
| 1       | <b>Introduction to Macroeconomic Data and Theory - 15L</b>  |
|         | <p><b>Macroeconomics:</b> Meaning, Scope and Importance.</p> <p><b>Circular flow of aggregate income and expenditure:</b> closed and open economy models</p> <p><b>The Measurement of national product:</b> Meaning and Importance - conventional and Green GNP and NNP concepts</p> <p><b>Short run economic fluctuations :</b> Features and Phases of Trade Cycles</p> <p><b>The Keynesian Principle of Effective Demand:</b> Aggregate Demand and Aggregate Supply<br/>- Consumption Function - Investment function - effects of Investment Multiplier on Changes in Income and Output</p> <p>Introduction to The Great Depression and Euro Zone Crisis - Brexit</p> |
| 2       | <b>Money, Inflation and Monetary Policy - 15L</b>   |
|         | <p><b>Money Supply:</b> Determinants of Money Supply - Factors influencing Velocity of Circulation of Money</p> <p><b>Demand for Money :</b> Classical and Keynesian approaches and Keynes' liquidity preference theory of interest</p> <p><b>Money and prices :</b> Quantity theory of money - Fisher's equation of exchange - Cambridge cash balance approach</p> <p><b>Inflation:</b> Demand Pull Inflation and Cost Push Inflation - Effects of Inflation- Nature of inflation in a developing economy.</p> <p><b>Monetary policy :</b> Meaning, objectives and instruments, inflation targeting</p>  |
| 3       | <b>Constituents of Fiscal Policy - 15L</b>  |
|         | <p><b>Role of a Government</b> to provide Public goods- Principles of Sound and Functional Finance</p> <p><b>Fiscal Policy:</b> Meaning and Objectives</p> <p><b>Instruments of Fiscal policy :</b> Canons of taxation - Factors influencing incidence of</p>   |

|          |  |
|----------|--|
|          | <p>taxation - Effects of taxation Significance of Public Expenditure - Social security contributions- Low Income Support and Social Insurance Programmes - Public Debt - Types, Public Debt and Fiscal Solvency, Burden of debt finance</p> <p><b>Union budget</b> -Structure- Deficit concepts-Fiscal Responsibility and Budget Management Act.</p>   |
| <b>4</b> | <b>Open Economy : Theory and Issues of International Trade - 15L</b>   |
|          | <p><b>The basis of international trade</b> :Ricardo's Theory of comparative cost advantage - The Heckscher – Ohlin theory of factor endowments- terms of trade - meaning and types</p> <p>Factors determining terms of trade - Gains from trade - Free trade versus protection</p> <p><b>Foreign Investment</b> : Foreign Portfolio investment- Benefits of Portfolio capital flows- Foreign Direct Investment - Merits of Foreign Direct Investment - Role of Multinational corporations</p> <p><b>Balance of Payments:</b> Structure -Types of Disequilibrium - Measures to correct disequilibrium in BOP.</p> <p><b>Foreign Exchange and foreign exchange market</b> : Spot and Forward rate of Exchange - Hedging, Speculation and Arbitrage -Fixed and Flexible exchange rates- Managed flexibility</p> |



**Reference Books of S Y B.Com Accounting and Finance**

References:

1. Principles of Macro Economics, by Case & Fair, Pearson Publication
2. Principles of Macro Economics, by Gregory Mankiw
3. A 100 Small Steps, by Raghuram Rajan
4. Essentials of Business Economics, D.N.Dwivedi, Pearson 2010
5. Business Economics, H L Ahuja, Mc Graw Hill, 2001
6. Business Economics, Shiv Kumar Agarwal, Pooja Law, 1996
7. Managerial Economics, Pandya, Pearson, 1994

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