



**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.**

**Revised Syllabus S. Y. B. Com. Business Economics III and IV**

**Choice Based Credit & Grading System (75:25)**

**w. e. f. Academic Year 2020-21**

<b>Sr. No.</b>	<b>Heading</b>	<b>Particulars</b>
<b>1</b>	<b>Title of Course</b>	<b>Business Economics – III and IV</b>
<b>2</b>	<b>Eligibility for Admission</b>	<b>Passing of First year B. Com.</b>
<b>3</b>	<b>Passing marks</b>	<b>40%</b>
<b>4</b>	<b>Ordinances/Regulations (if any)</b>	
<b>5</b>	<b>No. of Semesters</b>	<b>Two</b>
<b>6</b>	<b>Level</b>	<b>U.G.</b>
<b>7</b>	<b>Pattern</b>	<b>Semester (75:25)</b>
<b>8</b>	<b>Status</b>	<b>Revised</b>
<b>9</b>	<b>To be implemented from Academic year</b>	<b>2020-21</b>

**Preamble of the Syllabus:**

An overall approach to macroeconomics is to examine the economy as a whole. This course is an introduction to the basic analytical tools of macro economics and public finance to evaluate macro economic conditions such as inflation, unemployment and growth. It is designed to make system of overall economy understandable and relevant. The aim is to provide a clear explanation of many aspects of aggregate economic variables to inspire a consistent way of thinking about key macroeconomic phenomena and public finance. It intends to familiarize the commerce learners with certain common features of economic occurrence in the real world.

**Objectives for new Curriculum:**

1. To help the learners to understand the concepts related to Macro Economics and Public finance
2. To familiarize the commerce learners with certain common features of economic occurrence in the real world.
3. To integrate the concepts of macroeconomics in order to analyze and understand the policies of the state.
4. To study the concepts of macroeconomics in order to analyze and understand the functioning of the economy.
5. To study the role of state in an economy.
6. To study the fiscal policy of the state.
7. To study the fiscal federalism in India

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

1. To understand the basic concepts of Macro Economics and Public finance.
2. To understand certain common features of economic occurrence in the real world.
3. To integrate the concepts of macroeconomics in order to analyze and understand the policies of the state.
4. To integrate the concepts of macroeconomics in order to analyze and understand the functioning of the economy.
5. To understand the role of state in an economy.
6. To know the fiscal policy of the state.
7. To understand the structure of fiscal federalism in India.

**SY B Com. Business Economics –III and IV**

For the subject of Business Economics there shall be two papers of 45 lectures each comprising of four units each.

**Semester- III- Paper No. III**

<b>Sr. No.</b>	<b>Units</b>	<b>No. of Lectures</b>
<b>1</b>	<b>Introduction</b>	<b>10</b>
<b>2</b>	<b>Basic Concepts ff Keynesian Economics</b>	<b>15</b>
<b>3</b>	<b>Post Keynesian Developments In Macro Economics</b>	<b>10</b>
<b>4</b>	<b>Money, Prices and Inflation</b>	<b>10</b>

**Semester-IV, Paper-IV**

<b>Sr. No.</b>	<b>Units</b>	<b>No. of Lectures</b>
<b>1</b>	<b>The Role of Government in an Economy</b>	<b>10</b>
<b>2</b>	<b>Public Revenue</b>	<b>15</b>
<b>3</b>	<b>Public Expenditure and Public Debt</b>	<b>10</b>
<b>4</b>	<b>Evaluating capital projects</b>	<b>10</b>

**Scheme of Examination for Each Semester: For F. Y. /S. Y. / T.Y. B. Com  
Semester I, II, III, IV, V and VI**

Internal Evaluation: 25 (20 marks internal test and 05 marks for active participation and overall conduct)

External evaluation: Semester End Examination: 75 Marks will be as follows -:

<b>Question. No</b>	<b>Particular</b>	<b>Marks</b>
Q-1	Write Short Notes on any <b>two</b> of the following A), B), C) and D)	15
Q-2	Any 2 out of 3 1. Full Length Question 2. Full Length Question 3. Full Length Question	15
Q-3	Any 2 out of 3 1. Full Length Question 2. Full Length Question 3. Full Length Question	15
Q-4	Any 2 out of 3 1. Full Length Question 2. Full Length Question 3. Full Length Question	15
Q-5	Any 2 out of 3 1. Full Length Question 2. Full Length Question 3. Full Length Question	15

**Choice Based Credit Grading and Semester System (CBCGS)**

**S.Y.B. Com. Business Economics Syllabus**

**To be implemented from the Academic Year 2019-2020**

**Semester- III - Paper No. - III**

<b>Course Code</b>	<b>Unit</b>	<b>Topics/ Modules</b>	<b>Credits</b>	<b>L / Week</b>
<b>UCM3B E3</b>	<b>I</b>	<b>Introduction</b>	<b>3</b>	<b>10</b>
	<b>II</b>	<b>Basic Concepts Of Keynesian Economics</b>		<b>15</b>
	<b>III</b>	<b>POST Keynesian Developments In Macro Economics</b>		<b>10</b>
	<b>IV</b>	<b>Money, Prices and Inflation</b>		<b>10</b>

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**To be implemented from the Academic Year 2019-2020**

**Semester-IV- Paper No. IV**

<b>Course Code</b>	<b>Unit</b>	<b>Topics/ Modules</b>	<b>Credits</b>	<b>L / Week</b>
<b>UCM4B E4</b>	<b>I</b>	<b>The Role of Government in an Economy</b>	<b>3</b>	<b>10</b>
	<b>II</b>	<b>Public Revenue</b>		<b>15</b>
	<b>III</b>	<b>Public Expenditure and Public Debt</b>		<b>10</b>
	<b>IV</b>	<b>Fiscal Policy and Management</b>		<b>10</b>

**S.Y.B.COM Semester –III**

**Business Economics- Paper- III- Introduction to Macroeconomics**

**Module-I: Introduction: 10L**

- **Macroeconomics:** Meaning, Scope and Importance.
- **Circular flow of aggregate income and expenditure** and its Importance- closed and open economy models
- **Green GNP and NNP concepts-** Importance and Measurement
- **Trade Cycles:** Features and Phases
- **Classical Macro economics: Say's law of Markets** - Features, Implications and Criticism

**Module-II: - Basic Concepts of Keynesian Economics: 15L**

- **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**

**Module-III: POST Keynesian Developments In Macro Economics: 10L**

- **The IS-LM model** of integration of commodity and money markets
- **Inflation and unemployment:** Philips curve
- **Stagflation:** meaning, causes, and consequences
- **Supply side economics:** Basic propositions and critical appraisal

#### **Module-IV - Money, Prices and Inflation- 10L**

- **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
- **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

#### **Reference Books of S Y B Com. Business Economics Paper-III**

1. Ackley.G (1976), Macro Economic Theory and Policy, Macmillan Publishing Co. New York
2. Ahuja. H.L.(2015), Modern Economics - S.Chand Company Ltd. New Delhi.
3. Blanchard Olivier (2000), Macro Economics, Englewood Elitt, Prentice Hall
4. Bouman John, Principles of Macro Economics
5. Dornbush , Rudiger, Fisher Stanley and Startz, Richards Macroeconomics, Nineth edition  
2004 Tata-Mac Graw Hill, New Delhi.
6. Dwivedi, D.N. (2001), Macro Economics: Theory and Policy, Tata-Mac Graw Hill, New Delhi.
7. Friedman Hilton (1953) Essays in Positive Economics, University of Chicago Press, London.
8. Gregory .N. Mankiw, Macroeconomics, Fifth Edition (2002) New York:Worth Publishers
9. Jhingan, M.L., Principles of Economics — Vrinda Publications (P) Ltd.
10. Shapiro, E (1996), Macro-Economic Analysis , Galgotia Publication, New Delhi.



**S.Y.B.COM Business Economics**

**Public Finance Paper-IV, Semester –IV**

**Model No. I - The Role of Government in an Economy: 10L**

- **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**

**Module-II- Public Revenue: 15**

- **Sources of Public Revenue:** tax and non-tax revenues
- **Objectives of taxation** - Canons of taxation
- **Direct taxes-** Merits and demerits- **Indirect taxes-** Merits and demerits
- **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

**Module –III- Public Expenditure and Public Debt: 10L**

- **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

#### **Module- IV- Fiscal Policy and Management: 10L**

- **Fiscal Policy:** Meaning, Objectives, constituents and Limitations.

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

- **Study of current year budget**

- **Intergovernmental Fiscal Relations:** fiscal federalism and fiscal decentralization - central-state financial relations

#### **Reference Books of S Y B Com. Business Economics Paper-IV**

1. Bhatia H.L.: Public Finance. Vikas Publishing House Pvt. Ltd.
2. David N. Hyman : Public Finance A Contemporary Application of theory of policy, Krishna Offset, Delhi
3. Hoiughton E.W.(1998) : Public Finance, Penguin, Baltimore
4. Hajela T.N: Public Finance – Ane Books Pvt.Ltd
5. Jha, R (1998) : Modern Public Economics, Route Ledge, London
6. Musgrave, R.A and P.B. 17. Musgrave (1976) : Public Finance in Theory and Practice, Tata McGraw Hill, Kogakusha, Tokyo
7. Mithani, D.M (1998) : Modern Public Finance, Himalaya Publishing House, Mumbai
8. Singh.S.K. (2014): Public finance in Theory and Practice, S.Chand &co Pvt Ltd, New Delhi

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