



**NAGINDAS KHANDWALA COLLEGE  
AUTONOMOUS  
DEPARTMENT OF ECONOMICS**

**Approved syllabus for S.Y. B.COM  
BUSINESS ECONOMICS (PAPER III)**

**Semester III**

**with Effect from the Academic Year 2017-2018**

**Core Course (CC)**

**Module I: OVERVIEW OF MACROECONOMICS (10)**

- **Macroeconomics:** Meaning, Scope and Importance
- **Circular Flow of Aggregate Income and Expenditure-** Significance - Closed and Open Economy models
- **The Measurement of National Product:** Conventional Concepts - GDP, GNP, NNP, PCI ; Green Concepts; Approaches to National Income Accounting, National Income and Economic Welfare
- **Trade Cycles:** Features and Phases
- **Classical Macroeconomics:** Say's Law of Markets- Features, Implications and Criticism

**Module II: BASIC CONCEPTS OF KEYNESIAN ECONOMICS  
(12)**

- **The Principle of Effective Demand:** Aggregate Demand and Aggregate Supply, Underemployment Equilibrium and Government Intervention

- **Consumption Function:** APC, MPC, Subjective and Objective Factors, 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 to Developing Countries**

### **Module III: POST KEYNESIAN DEVELOPMENTS IN**

#### **MACROECONOMICS (10)**

- **The IS-LM Model:** Derivation of the IS and LM curves, Simultaneous Determination of Equilibrium in the Product and Money Market, Impact of Monetary and Fiscal Policy in IS-LM Framework
- **Inflation and Unemployment:** Phillips Curve
- **Stagflation:** Meaning, Causes and Consequences

### **Module IV: MONEY, PRICES AND INFLATION**

**(13)**

- **Money Supply:** Determinants-High Powered Money and Money Multiplier- Factors influencing Velocity of Circulation of Money
- **Demand for Money:** Classical and Keynesian Approaches – Liquidity Trap, 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:** Core inflation, Headline inflation, WPI, CPI, Demand Pull and Cost Push inflation – Effects of inflation- Nature and Causes 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): Macroeconomics, Englewood Elitt, Prentice Hall

Bouman John : Principles of Macroeconomics

Dornbush, Rudiger, Fisher Stanley and Startz Richards Macroeconomics, 9<sup>th</sup> edition 2004 Tata Mcgraw Hill, New Delhi

Dwivedi, D. N. (2001)Macro economics Theory and Policy Tata Mcgraw Hill, New Delhi

Friedman Milton (1953): Essays in Positive Economics, University of Chicago Press, London

Gupta R. D and A S Rana: Keynes and Post- Keynesian Economics, Kalyani Publishers New Delhi

Jhingan M L.: Principles of Economics- Vrinda Publications(P) Ltd.

Mankiw, Gregory N: Macroeconomics, 5th edition (2002) New York, New Worth Publishers

Shapiro E (1996): Macroeconomic Analysis, Galgotia Publication New Delhi

Vaish M C (2010) Macroeconomic Theory 14<sup>th</sup> edition Vikas Publishing House (P) Ltd.

## **Examination Pattern 75: 25**

The performance of the learners will be evaluated in two Components.

One component will be the Internal Assessment component carrying 25% marks and the second component will be the Semester-wise End Examination component carrying 75% marks.

### **Passing Standard**

- The learners shall obtain minimum of 40% marks (i.e. 10 out of 25) in the Internal Assessment and 40% marks in Semester End Examination (i.e. 30 Out of 75) separately, to pass the course and minimum of Grade E to pass a particular semester.
- A learner will be said to have passed the course if the learner passes the Internal Assessment and Semester End Examination together.

The allocation of marks for the Internal Assessment and Semester End Examinations will be as shown below:-

### **A) Internal Assessment: 25 %**

#### **Question Paper Pattern (Internal Assessment)**

<b>Sr. No.</b>	<b>Particular</b>	<b>Marks</b>
1	<b>Class test - 30 mins. Duration</b> Objective questions and short answers	<b>20</b>
2	<b>Active participation</b> in routine class instructional deliveries and overall conduct as a responsible learner, mannerism and articulation and exhibit of leadership qualities in organizing related academic activities	<b>05</b>

**B) Semester End Examination: 75 %**

**Question Paper Pattern**

**Maximum Marks: 75**

**Questions to be set: 05**

**Duration: 2 1/2 Hrs.**

**All Questions are Compulsory Carrying 15 Marks each.**

<b>Question No</b>	<b>Particular</b>	<b>Marks</b>
<b>Q 1</b>	<b>Three questions to be asked : A B C</b> <b>Any Two to be attempted</b> <b>From Module-I</b>	<b>15 Marks</b> <b>7 ½ Marks Each</b>
<b>Q 2</b>	<b>Three questions to be asked : A B C</b> <b>Any Two to be attempted</b> <b>From Module-II</b>	<b>15 Marks</b> <b>7 ½ Marks Each</b>
<b>Q 3</b>	<b>Three questions to be asked : A B C</b> <b>Any Two to be attempted</b> <b>From Module-III</b>	<b>15 Marks</b> <b>7 ½ Marks Each</b>
<b>Q 4</b>	<b>Three questions to be asked : A B C</b> <b>Any Two to be attempted</b> <b>From Module-IV</b>	<b>15 Marks</b> <b>7 ½ Marks Each</b>
<b>Q 5</b>	<b>Objective Questions</b> <b>A) True or False with reasons:</b> <b>Sub Questions to be asked Six- At least one from each Module</b> <b>Any Four to be attempted</b> <b>B) Choose the Correct Alternative:</b> <b>Sub Questions to be asked 10- At least two from each Module</b> <b>Any Seven to be attempted</b>	<b>15 Marks</b> <b>08 Marks</b> <b>07 Marks</b>