

UNIVERSITY OF MUMBAI



Syllabus for the F.Y.B.Sc/S.Y.B.A.

Program: B.Sc./B.A.

Course: ECONOMICS

Paper-II at the F.Y.B.Sc./S.Y.B.A. Examinations

(Credit Based Semester and Grading System with effect from the academic year 2011–2012 for F.Y.B.Sc and 2012-2013 for S.Y.B.A.)

Economics Syllabus
Restructured for Credit Based and Grading System
To be implemented from the Academic year 2011-2012

PREAMBLE

The Board of Studies in Economics has revised the syllabi of F.Y.B.Sc Paper –II which will be made effective from the Academic Year 2011-12. The objective of the course is to familiarize the students the basic concepts of Macro Economics and its application. The revised syllabus is framed to understand the macro economic theories and its relevance.

F.Y.B.Sc Paper – II (SEMESTER– I)

Course Code	UNIT	TOPICS	Credits	L / Week
USECO201	I	Macro Economics II:Introduction	3	1
	II	Consumption, Investment and Employment		1
	III	Money and inflation		1

F.Y.B.Sc Paper – II (SEMESTER– II)

Course Code	UNIT	TOPICS	Credits	L / Week
USECO202	I	Macro Economics II : Banking in India	3	1
	II	Financial Markets		1
	III	Public Finance		1

F.Y.B.Sc Paper – II (SEMESTER- I)

Course Code	Title	Credits
USECO 201	Macro Economics - II	3

<p>Unit I : Introduction: Meaning and scope of Macro Economics - Concepts of National Income aggregates: GNP, NNP, GDP, NDP, Per Capita Income, Personal Income and Disposal Income - Methods and difficulties in Measurement of National Income - Circular flow of Income : closed (Two and Three sector Models) open economy models - Trade cycles : Features and phases</p>	15 Lectures
<p>Unit II : Consumption, Investment and Employment Say's law of market - Theory of Effective demand – Consumption function - Investment function – Marginal Efficiency of Capital and rate of interest - Investment multiplier and Accelerator.</p>	15 Lectures
<p>Unit III: Money and inflation: Meaning and function of Money - Supply of money: Constituents – Determinants of money supply. Velocity of circulation of money - RBI's approach to measurement of money supply (Liquidity measures). Demand for Money: Classical - Neo-classical - Keynesian- Friedman's approaches. Inflation: Types – Causes – Effects – Measures to control inflation.</p>	15 Lectures

F.Y.B.Sc Paper – II (SEMESTER- II)

Course Code	Title	Credits
UAECO202	Macro Economics-II	3
Unit I : Banking in India Commercial Banks: Functions - Multiple Credit Creation Process and its limitations - Performance of commercial banks since 1991. Central Bank: Functions of RBI – Monetary policy: Objectives and Instruments – Narsimham Committee Report of 1998.		15 Lectures
Unit II : Financial Markets: Money Market: Components – Instruments - Features of Indian Money market. Money market reforms in India since 1991. Capital market: Role of capital market in economic development, Structure of capital market in India (Primary and Secondary markets), Mutual funds. Securities and Exchange Board of India (SEBI).		15 Lectures
Unit III : Public Finance: Nature and Scope of Public Finance - Sources of Public Revenue – Canons of taxation – Merits and demerits of direct and indirect taxes. Public Expenditure: Classification – Causes of growing public expenditure. Public debt: Types, Burdens of internal and external public debt – Concepts of deficit.		15 Lectures

REFERENCES:

1. Ahuja H.L. (2008), Macroeconomics Theory & Policy, S. Chand & Company Ltd., Ram Nagar, New Delhi.
2. Bhole L.M. (1999), Financial Institutions & Markets, Tata McGraw-Hill Publication Company Ltd., Delhi.
3. Dwivedi D.N. (2007), Macroeconomics Theory & Policy, Tata McGraw-Hill Publication Company Ltd., Delhi.
4. Datt R. & K. P. M. Sundaram (2010), Indian Economy, S. Chand & Company Ltd., New Delhi.
5. Gupta S.B. (1994), Monetary Economics, S. Chand & Company, Delhi.
6. Gupta S.G. (2001), Macroeconomics Theory & Applications, Tata McGraw-Hill Publication Company Ltd., Delhi.
7. N. Gregory Mankiw (2005), Macroeconomics, Worth Publisher, 41, Madison Avenue, New York.
8. McConnel, C. R. & H. C. Gupta (1984), Introduction to Macro Economics, Tata McGraw-Hill Publishing company Ltd., New Delhi.
9. Misra, S. K. & V. K. Puri (2010), Indian Economy: Its Development Experience, Himalaya Publishing House, Mumbai.
10. Musgrave R. & P. Musgrave (1983), Public Finance Theory & Practices, Singapore.

11. Pathak B.V. (2005), Indian Financial System, Pearson Education, Delhi.
12. Stonier A.W. & D.C. Hague (2004), Textbook of Economic Theory, Pearson Education, Delhi.
13. www.rbi.org

Scheme of Examination:

The performance of the learners shall be evaluated into two parts. The learner's performance shall be assessed by Internal Assessment with 40% marks in the first part by conducting the Semester End Examinations with 60% marks in the second part. The allocation of marks for the Internal Assessment and Semester End Examinations are as shown below:-

(A) Internal Assessment: 40 Marks (40%)

Sr. No	Evaluation type	Marks
1	Two Assignments/Case study/Project	20
2	One Periodical class Test	10
3	Active participation in routine class instructional deliveries(case studies/ seminars//presentation)	05
4	Overall conduct as a responsible student, mannerism and articulation and exhibit of leadership qualities in organizing related academic actives	05

Guidelines about conduct of Assignments:

The assignment should be based on any of the sub-topics suggested for the course.

Topics for Assignments/Case study/Project:

F.Y.B.Sc Paper – II (SEMESTER - I)

USECO201	Macro Economics - II
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Measurement of National Income-Consumption function-Investment multiplier
Measurement of money supply-Inflation.

F.Y.B.Sc Paper – II (SEMESTER - II)

USECO202	Macro Economics-II
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Functions of Commercial Banks- Performance of commercial banks- Monetary policy- Money Market Instruments- Role of Capital market-Mutual funds-SEBI- Sources of Revenue- Direct taxes- Indirect taxes- Public Expenditure- Public Debt- Concepts of deficit

Assignments can be any of the following types:

- 1) Visit/s to a Financial Institute/ BSE/NSE/RBI/SEBI etc.
- 2) Book review

- 3) Preparation of charts/posters/ exhibition/class presentation/experimental work, Short Quiz; Objective test, lab practical, open book test /exhibition/ Field visit etc.
- 4) Conduct a workshop for a small group
- 5) Interview experts/professionals in the field of Manufacturing/ Banking & Services.

(B) External Theory examination: 60 Marks (60%)

Question Paper Pattern Semester End Examination

Max. Marks: 60

Time: 2 hours

- Note:
1. All questions are **COMPULSORY**
 2. Each question carries 15 marks.
 3. Draw neat diagrams wherever necessary

Q.1. Answer the following:

- | | | |
|---|-----------------|-----|
| A | (From Unit-I) | (5) |
| B | (From Unit-II) | (5) |
| C | (From Unit-III) | (5) |

Q.2. Answer the following: (From Unit-I)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |

Q.3. Answer the following: (From Unit-II)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |

Q.4. Answer the following: (From Unit-III)

- | | | |
|---|-----------|-----|
| A | | (8) |
| B | | (7) |
| | OR | |
| B | | (7) |

Economics Syllabus
Restructured for Credit Based and Grading System
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PREAMBLE

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S.Y.B.A Paper – II (SEMESTER– III)

Course Code	UNIT	TOPICS	Credits	L / Week
USECO201	I	Macro Economics II:Introduction	3	1
	II	Consumption, Investment and Employment		1
	III	Money and inflation		1

S.Y.B.A Paper – II (SEMESTER– IV)

Course Code	UNIT	TOPICS	Credits	L / Week
USECO202	I	Macro Economics II : Banking in India	3	1
	II	Financial Markets		1
	III	Public Finance		1

S.Y.B.A Paper – II (SEMESTER– III)

Course Code	Title	Credits
UAECO 201	Macro Economics - II	3

<p>Unit I : Introduction: Meaning and scope of Macro Economics - Concepts of National Income aggregates: GNP, NNP, GDP, NDP, Per Capita Income, Personal Income and Disposal Income - Methods and difficulties in Measurement of National Income - Circular flow of Income : closed (Two and Three sector Models) open economy models - Trade cycles : Features and phases</p>	15 Lectures
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Demand for Money: Classical - Neo-classical - Keynesian- Friedman's approaches. Inflation: Types – Causes – Effects – Measures to control inflation.	
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S.Y.B.A Paper – II (SEMESTER– IV)

Course Code	Title	Credits
UAECO202	Macro Economics-II	3

<p>Unit I : Banking in India</p> <p>Commercial Banks: Functions - Multiple Credit Creation Process and its limitations - Performance of commercial banks since 1991.</p> <p>Central Bank: Functions of RBI – Monetary policy: Objectives and Instruments – Narsimham Committee Report of 1998.</p>	15 Lectures
<p>Unit II : Financial Markets:</p> <p>Money Market: Components – Instruments - Features of Indian Money market. Money market reforms in India since 1991.</p> <p>Capital market: Role of capital market in economic development, Structure of capital market in India (Primary and Secondary markets), Mutual funds. Securities and Exchange Board of India (SEBI).</p>	15 Lectures
<p>Unit III : Public Finance:</p> <p>Nature and Scope of Public Finance - Sources of Public Revenue – Canons of taxation – Merits and demerits of direct and indirect taxes. Public Expenditure: Classification – Causes of growing public expenditure. Public debt: Types, Burdens of internal and external public debt – Concepts of deficit.</p>	15 Lectures

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(B) External Theory examination: 60 Marks (60%)

Question Paper Pattern Semester End Examination

Max. Marks: 60

Time: 2 hours

- Note:
1. All questions are **COMPULSORY**
 2. Each question carries 15 marks.
 3. Draw neat diagrams wherever necessary

Q.1. Answer the following:

- | | | |
|--------|-----------------|-----|
| A OR B | (From Unit-I) | (5) |
| C OR D | (From Unit-II) | (5) |
| E OR F | (From Unit-III) | (5) |

Q.2. Answer the following: (From Unit-I)

- | | |
|-----------|-----|
| A | (8) |
| B | (7) |
| OR | |
| C | (8) |
| D | (7) |

Q.3. Answer the following: (From Unit-II)

- | | |
|-----------|-----|
| A | (8) |
| B | (7) |
| OR | |
| C | (8) |
| D | (7) |

Q.4. Answer the following: (From Unit-III)

- | | |
|-----------|-----|
| A | (8) |
| B | (7) |
| OR | |
| C | (8) |
| D | (7) |
