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Rayat Shikshan Sanstha's
KARMAVEER BHURAO PATIL COLLEGE, VASHI.
NAVI MUMBAI
(AUTONOMOUS COLLEGE)
Sector-15- A, Vashi, Navi Mumbai - 400 703

Syllabus for PG Programs under the faculty of Arts

COURSE : M.A. IN BUSINESS ECONOMICS

**(Choice Based Credit, Grading and Semester System
with effect from the academic year 2019-2020)**

Business Economics Syllabus for Choice Based Credit, Grading and Semester System with effect from the academic year 2019-2020

PREAMBLE

The Board of Studies in Business Economics has designed the syllabi of M.A.-I which will be made effective from the Academic Year 2019-20. M.A. Business economics is an innovative program. As for this program any recognized university graduate student eligible, we have framed the syllabi to equip the students with basic tools of economics. There is a concentration of practical applicability by introducing new developments in economics which will be helpful to understand the economic policy changes of the government. This program will be helpful to the students while appearing for various competitive examinations.

ABOUT CREDIT SCHEME:

1. Total 96 credits for entire course (24 Credits per semester- 24*4 semester = 96)
2. Per paper 6 credits (6*4 papers = 24 at each semester)
3. Per paper 48 teaching hours during the semester
4. Total 12 teaching hours per unit during the semester
5. All papers have 4 units
6. Total 4 teaching hours per week per paper

Code	Semester-I	Code	Semester-II
PGBECO101	Micro Economic Analysis	PGBECO201	Micro Economic Analysis
PGBECO102	Macro Economic Analysis	PGBECO202	Macro Economic Analysis
PGBECO103	Agricultural Economics	PGBECO203	Agricultural Economics
PGBECO104	Economics of Banking	PGBECO204	Economics of Banking

Note: Blue Highlighted Topic / Course has focus on employability/ entrepreneurship/skill development

M.A. BUSINESS ECONOMICS (PART ñ I)

Semester Pattern

Semester ñ I

Course ñ Micro Economic Analysis ñ I

Contact Hours 48 + Notional Hours 12= Total hours 60

Module 1. Introduction and Basic Concepts ñ (12 hours)

- 1.1 Basic Economic Problems: - Scarcity & Choice
- 1.2 Micro and macro Economics: - Nature, Scope, Importance & Limitations.
- 1.3 Ordinal Utility Approach:- Indifference curve, Properties, Consumerís equilibrium, Price, income & substitution effects, Derivation of Demand Curve.
- 1.4 Revealed Preference Theory of Demand.
- 1.5 Recent Development in Demand Theory: - Hicksian Revised Theory ñ Neumann ñ Morgenstern Statistical Utility Theory, Armstrongís Marginal Preference Theory.

Module 2. Theory of Production and cost

- 2.1** Types of production functions- short run and long run **(12 hours)**
- 2.2** Cobb - Douglas Production Function
- 2.3** Elasticity of Technical Substitution(Between Factors)
- 2.4** Production Function and Technological Change.
- 2.5** Cost functions, average and marginal costs, short run versus long run costs.
- 2.6** Economies of scale and scope,

Module 3. Applications of Demand and supply analysis (12 hours)

- 3.1 Price Control and Rationing
- 3.2 Rent control
- 3.3 Minimum Support Price
- 3.4 Paradox of Bumper Harvesting and Crop Restriction Program and Farmers Income
- 3.5 Failure of OPEC to keep the price of oil high for long
- 3.6 Fight against use of drugs.

Module 4.Social Welfare Function and Theory of Social Choice (12 hours)

- 4.1 Classical Welfare Function
- 4.2 Pareto Social Welfare Function
- 4.3 Kaldor-Hicks Compensation Principle
- 4.3 Rawlsian Social Welfare Function
- 4.4 Bergson- Samuelson Social Welfare Function
- 4.5 Arrowís Impossibility Theorem
- 4.6 Amartya Sen on Arrowís Impossibility Theorem

Referencs1) Ahuja H. L., Advanced Economic Theory : Microeconomics Analysis, 13th Edition, S. Chand 2) Baumol, W.J. (1982): Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.

3) Dewett K. K., Modern Economic Theory, S. Chand & Company Ltd., Revised Edition, 2005.

4) Koutsoyiannis, A. (1979): Modern Microeconomics, 2nd ed., Macmillan Press, London.

5) Kreps, David M (1990): A Course in Microeconomic Theory, Princeton University Press

Core Course ñSemester ñ II

Micro Economic Analysis ñ II

Contact Hours 48 + Notional Hours 12= Total hours 60

Module 1. Price & output Determination (I) - (12 hours)

- 1.1 Perfect Competition - Features, Price Determination, and Equilibrium of the Firm and Industry.
- 1.2 Monopoly: - Price and Output Determination.
- 1.3 Comparison between Monopoly equilibrium and perfect Competition Equilibrium
- 1.4 Measurement of Degree of Monopoly Power.
- 1.5 Regulation of Monopoly ñ Through Taxation and Price Regulation

Module 2. Price & output Determination (II) - (12 hours)

- 2.1 Monopolistic competition ñ features, equilibrium of the firm and Group in the short run and long run,
- 2.2 Wastages in monopolistic competition
- 2.3 Oligopoly ñ Causes for the existence of oligopoly.
- 2.3 Kinky Demand Curve Theory of Oligopoly.
- 2.4 Dominant Strategy and Nash Equilibrium
- 2.5 Neumann and Morgnstern Game theory
- 2.6 Prisonerís Dilemma and Instability of Cartel

Module 3. Factor Pricing ñ (12 hours)

- 3.1 Marginal Productivity Theory.
- 3.2 Factors pricing under imperfect competition.
- 3.3 Eulerís Theorem and Product Exhaustion Problem or Adding up Problem.
- 3.4 Modern Theory of Rent.
- 3.5 Wage Determination under Collective Bargaining.
- 3.6 Loanable funds Theory of Interest.
- 3.7 Risk and Uncertainty Theory of profit.

Module 4. Theories of Firm. (12 hours)

- 4.1 Objectives of modern firm- Baumolís Sales Revenue Maximization Model
- 4.2 Williamsonís Model of Managerial Discretion-.
- 4.3 Marris Model of Managerial Enterprise.
- 4.4 The Hall and Hitch Report ñ Full Cost Pricing Rule
- 4.5 Bainís Limit pricing theory
- 4.6 SylosñLobiniís Model

REFERENCES:

- 1) Ahuja H. L., Advanced Economic Theory : Microeconomics Analysis, 13th Edition, S. Chand
- 2) Baumol, W.J. (1982): Economic Theory and Operations Analysis, Prentice Hall of India, New Delhi.
- 3) Dewett K. K., Modern Economic Theory, S. Chand & Company Ltd., Revised Edition, 2005.
- 4) Koutsoyiannis, A. (1979): Modern Microeconomics, 2nd ed., Macmillan Press, London.
- 5) Kreps, David M (1990): A Course in Microeconomic Theory, Princeton University Press

M.A. BUSINESS ECONOMICS (PART ñ I)

Semester Pattern

(From June 2018)

Core Course ñ Semester ñ I

Macro Economics-I

Contact Hours 48 + Notional Hours 12= Total hours 60

MODULE:I	National Income 1.1 Gross Domestic Product, Gross National Product, Net Domestic Product, measurement methods and difficulties. 1.2 Nominal and Real domestic product. Price Indices, base effect and GDP deflator. 1.3 Concept of disposable Income and Relationships between Income & Consumption. 1.4 Personal income: concept and implications. 1.5 Social accounting ñ presentation and importance of social accounting, difficulties in social accounting
MODULE:II	Aggregate Supply & Aggregate Demand 21 Classical Theory of Income, Output and Employment. 22 Keynesian Theory of Income, Output and Employment, Principles of Effective Demand, Aggregate Demand and Aggregate Supply, Importance of Effective Demand.
MODULE:III	New Classical Macroeconomics & Open Economy Issues 31 Consumption and saving, Life cycle hypothesis, Permanent income Hypothesis, relative income hypothesis. 32 Investment spending, Marginal productivity of capital, Concept of accelerator and super Multiplier. 33 The Rational expectations Revolution New Classical Macroeconomics: Perfect Information Rational Expectations
MODULE:IV	Demand for money and Supply of Money 41 Classical Approach to Demand For Money ñ Fisher and Cambridge 42 Keynesian approach - Liquidity Preference Theory 43 Milton Friedman's Approach 44 Components of money supply. Measurement of money supply- RBI Approach to Money Supply (old and new) 45 High Powered Money and Money Multiplier. Budget Deficits and Money Supply

REFERENCES

- 1) DiSouza, Errol (2008), Macroeconomics, Pearson Education, Delhi.
- 2) Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.
- 3) Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,
- 4) Keynes, J.M (1936) : General Theory of Employment, Interest and Money

5) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications

**Core Course ñ Semester ñ II
Macro Economics-II**

Contact Hours 48 + Notional Hours 12= Total hours 60

MODULE:I	<p>Theory of Inflation & Trade Cycle 1.6 Classical, Keynesian Monetarist Approach to Inflation, stagflation. 1.7 Structuralism Theory of inflation. 1.8 Phillips curve Analysis - Samuelson and Solow 1.9 The Natural Rate of Unemployment Hypothesis 1.10 Tobins Phillips Curve. 1.11 The Real Business cycle Theory</p>
MODULE:II	<p>Issues in Stabilization Policies 2.2 Lags in the Effects of Policy 2.3 The Role of Expectations 2.4 Uncertainty and Economic Policy 2.5 The mechanics of financing the budget 2.6 The Laffer Curve 2.7 Monetarism Vs. Fiscalism 2.8 The Portfolio Approach</p>
MODULE:III	<p>Macroeconomics: From Open Economy point of view 3.8 Market for foreign exchange 3.9 Fixed versus flexible exchange rate. 3.10 Real and nominal exchange rate. 3.11 Devaluation and depreciation. 3.12 Purchasing power parity Theory. 3.13 Mundell-Fleming model.</p>
MODULE:IV	<p>Macro Economic Policies. 4.7 Monetary Policy ñ Objectives and instruments. 4.8 Recent trends in monetary policy. 4.9 Monetary policy committee. 4.10 Fiscal Policy ñ instruments. 4.11 Relative role of monetary and fiscal policy.</p>

REFERENCES:

- 1) DiSouza, Errol (2008), Macroeconomics, Pearson Education, Delhi.
- 2) Gupta R.D. and Rana A.S. (1998): Post-Keynesian Economics, Kalyani Publishers, Ludhiana.
- 3) Jha, R (1991) : Contemporary Macro Economic theory and Policy, Wiley Eastern Ltd.,
- 4) Keynes, J.M (1936) : General Theory of Employment, Interest and Money
- 5) Mithani D. M., Money, Banking, International trade and public finance, Himalaya Publications

6) Rakshit, M. (1998), Studies in the Macroeconomics of Developing Countries, Oxford University Press, New Delhi.

Paper III AGRICULTURAL ECONOMICS (SEMESTER-I)

Course Code	Module	TOPICS	Credits	H/Week
PGBECO103	I	Introduction	6	4
	II	Agricultural credits		
	III	Agriculture Marketing		
	IV	Sustainable Agriculture		

Paper VII AGRICULTURAL ECONOMICS (SEMESTER-II)

Course Code	Module	TOPICS	Credits	H/Week
PGBECO203	I	Agricultural Pricing	6	4
	II	Comparative Agriculture		
	III	Agricultural Inputs		
	IV	Agro Industries in India		

Paper III AGRICULTURAL ECONOMICS (SEMESTER-I)

Contact Hours 48 + Notional Hours 12= Total hours 60

Module No	syllabus
I.	Introduction (11 hours) 1.1 Meaning, nature and scope of agricultural economics 1.2 Contribution of Agriculture in economic development. 1.3 Interdependence of agriculture and industry 1.4 Agricultural Productivity - causes of low productivity and measures taken to improve agricultural productivity in India.
II.	Agricultural credits (11 hours) 21 Need and types of agricultural credit. 22 Unorganized credit system, Role, Problems & Report of Radhakrishna Committee 23 Institutional sources of Cooperative credit system, NABARD and Vaidynathan committee 24 Micro Finance - Meaning and Role 25 Agricultural credit - Challenges, opportunities, and Strategies.
III.	Agriculture Marketing (14 hours) 31 Nature and Types of Agriculture produce 32 concept and types of Agricultural Markets 33 Methods of Sales 34 Marketable and Marketed surplus, causes of low marketable surplus in India. 35 Problems of Agriculture Marketing in India. 36 Model APMC Act 2003 37 National Agriculture Market (eNAM)
IV.	Sustainable Agricultural Development (12 hours) 4.1 Bio Technology - Meaning and Trends 4.2 Organic Farming - Present status and Future 4.3 Contract Farming - Present Status and Future 4.4 Diversification of Agriculture in India 4.5 Efficiency of irrigation

PaperñVII AGRICULTURAL ECONOMICS (SEMESTER-II)

Contact Hours 48 + Notional Hours 12= Total hours 60

Module No	Syllabus
I.	Agricultural Pricing (12 hours) 1.1 National Agricultural policy 2000 1.2 National Policy for Farmers 2007 1.3 Objectives of agricultural price policy 1.4 Commission on Agriculture Costs and Prices (CACP) 1.5 Role of MSP 1.6 Food Corporation of India (FCI) 1.7 Food Security in India. 1.8 Farmersí suicide.
II.	Comparative Agriculture (12 hours) 2.1 Cropping pattern - Factors affecting cropping pattern 2.2 Farm size and productivity 2.3 Land reforms in India 2.4 Green Revolution- History & recent development
III.	Agricultural Inputs (12 hours) 3.1 Irrigation -Sources, Progress and Problems, Water Management. 3.2 Energy -Sources, Progress and Problems. 3.3 Fertilizers and Pesticides -Types, Uses and Effects. 3.4 Trends in Pricing of Agricultural Inputs.
IV.	Agro ñ Industries in India. (12 hours) 4.1 Role and Types of Agro- Industries. 4.2 Problems and Measures of Agro- Industries. 4.3 Sugar and Dairy Co-operatives. 4.4 Cottage and Food Processing Industries. 4.5 Agro tourism and policy measures.

Paper IV Economics of Banking (SEMESTER-I)

Course Code	Module	TOPICS	Credits	H/Week
PGBECO104	I	Money	6	4
	II	Commercial Banking		
	III	Central Banking		
	IV	Non-Banking Financial Institutions		

Paper VIII Economics of Banking (SEMESTER-II)

Course Code	Module	TOPICS	Credits	H/Week
PGBECO204	I	Indian Financial System	6	4
	II	Indian Money Market		
	III	Indian Capital Market		
	IV	Components of Indian Capital Market		

Paper IV Economics of Banking (SEMESTER-I)

Contact Hours 48 + Notional Hours 12= Total hours 60

Module No	syllabus
I.	<p>Money (12 hours)</p> <p>1.1 Money ñ Meaning, Classification and Functions 1.2 Greshamís law 1.3 Monetary standards ñ Metallic and paper standard 1.4 Measures of money supply and sources of reserve money in India 1.5 Brief history of Indian Rupee 1.6 Value of money - Measurement and determination</p>
II.	<p>Commercial Banking (12 hours)</p> <p>2.1 Banking structure 2.2 Meaning and functions of commercial banks 2.3 The process of credit creation and its limitations 2.4 Liabilities and Assets of banks 2.5 Investment policy of commercial banks. 2.6 Commercial bank and economic development 2.7 Progress of commercial banking after nationalization</p>
III.	<p>Central Banking in India (12 hours)</p> <p>3.1 Organizational Structure of RBI 3.2 Role and functions of Reserve Bank of India. 3.3 Objectives of monetary policy of RBI. 3.4 Methods of credit control - quantitative and qualitative methods 3.5 Recent Policy measure.</p>
IV.	<p>Non-Banking Financial Institutions (12 hours)</p> <p>4.1 Functions of Non-Banking Financial Institutions 4.2 Type of Services provided by Non-Banking Financial Corporations 4.3 Life Insurance Corporation of India (LIC) 4.4 General Insurance Corporation of India (GIC) 4.5 Unit Trust of India (UTI)</p>

Paper VIII Economics of Banking (SEMESTER-II)

Contact Hours 48 + Notional Hours 12= Total hours 60

Module No	Syllabus
I.	<p>Indian Financial System (12 hours)</p> <p>1.1 Meaning and functions of financial system</p> <p>1.2 Role and Importance of Financial System in Economic Development</p> <p>1.3 Structure of Indian Financial System</p> <p>a. Financial Institutions</p> <p>b. Financial Markets- Functions of Financial Markets, Classification of Financial Markets</p> <p>c. Financial Instruments (Securities)- Characteristics of Financial Instruments</p> <p>d. Financial Services</p> <p>1.4 Growth and Development of Indian Financial System</p> <p>1.5 Weaknesses of Indian Financial System</p>
II.	<p>Indian Money Market (12 hours)</p> <p>2.1 Meaning and Characteristics of Indian Money Market</p> <p>2.2 Functions of Money Market</p> <p>2.3 Importance of Money Market</p> <p>2.4 Components / Constituents / of Money Market (Structure of Money Market)- Call money market, Commercial bill market, Treasury bill markets, Certificates of deposits market, Commercial paper market, Acceptance market, Collateral loan market, mutual funds, ADR/GDR</p> <p>2.5 Recent reforms of Money Market in India</p>
III.	<p>Indian Capital Market -I (12 hours)</p> <p>3.1 Meaning and Characteristics of Capital Market</p> <p>3.2 Structure of Indian Capital Market</p> <p>3.3 Functions of a Capital Market</p> <p>3.4 Importance of Capital Market</p> <p>3.5 Distinguish between Money Market and Capital Market</p>
IV.	<p>Indian Capital Market -II (12 hours)</p> <p>4.1 Primary Market /New Issue Market (NIM)- meaning and functions</p> <p>4.2 Players or Participants (or Intermediaries) in the Primary market/Capital Market</p> <p>4.3 Methods of Raising Fund in the Primary Market (Methods of Floating New Issues)</p> <p>4.4 Government Securities Market</p> <p>4.5 Secondary Market, Meaning and Definition of Stock Exchange/ Security Exchange</p> <p>4.6 Economic Functions of Stock Exchange</p> <p>4.7 Benefits of Stock Exchange</p> <p>4.8 Defects of Stock Exchanges (or Capital Market) in India</p> <p>4.9 Difference between Primary and Secondary Market</p>

Note:

Blue Highlighted Topic / Course has focus on employability/ entrepreneurship/skill development

Scheme of Examination:

The performance of the learners shall be evaluated in to 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) Continues Internal Evaluation: 40 Marks (40%)

Sr. No	Evaluation type	Marks
1	Test	20
2	Online test/Project/survey/Field Visit/Assignment/Research Paper Review/Book Review	10
3	Viva-Voce/Presentation/Interview/Group Discussion	10

(B) Semester End 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 Any Two of the following [Module 1] 15
A
B
C
- Q.2** Answer Any Two of the following [Module 2] 15
A
B
C
- Q.3** Answer Any Two of the following [Module 3] 15
A
B
C
- Q.4** Answer Any Two of the following [Module 4] 15
A
B
C