

AC –27-11-2024
Item No. –05

Approved by the BoS in Business Economics on 13-11-2024 Item
04

As Per NEP 2020

**Tolani College of
Commerce
(Autonomous)**



Title of the Course: Business Economics-III (Semester III)

Programmes
Bachelor of Commerce (Management Studies)
Bachelor of Commerce (Accounting and Finance)
Bachelor of Commerce (Financial Markets)

Syllabus for 4 credit Course from the academic year 2025-2026

Name of the Course: Introduction to Macroeconomics

Sr. No.	Heading	Particulars
1	Description the course: Including but Not limited to:	This course provides students with a comprehensive understanding of macroeconomics, focusing on the measurement of national income, economic fluctuations, aggregate demand and supply, and the role of money in influencing inflation. Through a combination of theoretical concepts and real-world applications, students will gain insights into how economies function on a national scale. The course explores the key determinants of economic performance, the impact of fluctuations in the business cycle, and the role of monetary policy in shaping economic outcomes.
2	Vertical:	Minor
3	Type:	Theory
4	Credit:	4 credits
5	Hours Allotted:	60 Hours
6	Marks Allotted:	100marks (CE: 40 MARKS AND SEE: 60 MARKS)

7	<p>Course Objectives: By end of this course student should be:</p> <ol style="list-style-type: none"> 1) able to demonstrate a comprehensive understanding of fundamental macroeconomic concepts and principles, including the factors that influence overall economic performance, the role of government policies, and the interplay between macroeconomic variables. 2) to apply various methods and tools to accurately measure a nation's income and assess its economic performance. This includes an understanding of Gross Domestic Product (GDP), its components, and the ability to interpret economic data to evaluate the health of an economy. 3) proficient in analyzing the causes and consequences of economic fluctuations, such as recessions and booms. They should also be able to apply the concepts of aggregate demand and aggregate supply to explain how changes in factors like government spending, consumer behavior, and investment influence the overall level of economic output. 4) able to develop a deep understanding of the monetary system, its functions, and how changes in the money supply impact inflation and price levels. Additionally, they should be able to critically assess the implications of monetary policy decisions made by central banks and their effects on the overall economy.
8	<p>Course Outcomes: Upon completion of this course students will be:</p> <ol style="list-style-type: none"> 1) able to assess the overall economic performance of a country by evaluating various macroeconomic indicators, such as GDP, unemployment rates, and inflation, and understand their significance in determining the health of an economy. 2) equipped to describe and analyze economic fluctuations, including recessions and expansions, using the concepts of aggregate demand and aggregate supply. They will understand the causes and consequences of these fluctuations on businesses and individuals. 3) able to gain a deep understanding of the role of money and the central bank in influencing inflation rates. They will be able to evaluate the effectiveness of monetary policy tools, such as interest rates and money supply, in controlling inflation and ensuring economic stability. 4) able to interpret and analyze national income data to gauge the overall economic health of a nation. They will be proficient in calculating GDP, GNP, and other key economic indicators, and understand their implications for public policy and decision-making.

9	Module 1: Introduction to Macroeconomics (15 hours)
	<ol style="list-style-type: none"> 1. Macroeconomics: Meaning, features, goals, and importance. 2. Methodology of macroeconomics. 3. Historical developments of macroeconomics. 4. The Three Spheres of Economic Activity: The Core Sphere, The Public-Purpose Sphere and The Business Sphere. 5. Application of macroeconomics to business decision-making.
	Module 2: Measuring of National Income (15 hours)
	<ol style="list-style-type: none"> 1. National Income: Meaning, features, and importance. 2. Concepts related to national income. 3. Methods of Measuring National Income: Income, Expenditure, and Production or Value-Added Methods. 4. Alternative Approaches to Measure GDP: The Genuine Progress Indicator, the Better Life Index, the Human Development Index, the Happy Planet Index, and the Green National Accounting. 5. Nominal versus Real National Income.
	Module 3: Economic Fluctuations, Aggregate Demand and Aggregate Supply (15 hours)
	<ol style="list-style-type: none"> 1. Meaning of Business Cycle- A stylized business cycle, macroeconomics variables and the business cycle. 2. Macroeconomic modelling and aggregate demand: Assumptions, output and income, and the problem of leakages. 3. The Keynesian Model: Consumption Function, investment, the aggregate demand schedule, the possibility of unintended investment, equilibrium in the Keynesian Model, and the employment multiplier. 4. The Aggregate Supply Curve: The Phillips Curve, Shifts of the AS Curve due inflationary expectations and supply shocks and AS/AD Model together. 5. Fiscal and monetary Policy, supply shocks, investor and consumer confidence and expectations.
	Module IV: Money and Inflation (15 hours)
	<ol style="list-style-type: none"> 1. Money Supply: Determinants of money supply, factors influencing velocity of circulation of money.

	<ol style="list-style-type: none"> 2. Demand for Money: The Keynesian Theories of Money Demand-The Monetarist View of Money: The Quantity Theory of Money-The Keynesian/Monetarist Debate-Portfolio Theories of Money Demand. 3. Inflation: Meaning, measurement and types-Demand Pull Inflation and Cost Push Inflation - Effects of Inflation. 4. Policy measures to curb inflation. 5. Monetary policy and Inflation targeting.
10	<p>References:</p> <ol style="list-style-type: none"> 1) D'Souza, Errol. <i>Macroeconomics</i>. 2. New Delhi: Pearson, 2012. 2) D.N. Dwivedi. <i>Managerial Economics</i>. 8. New Delhi: Vikas Publishing House, 2016. 3) Karl Case, Ray Fair and Sharon Oster. <i>Principles of Macroeconomics</i>. 12. New Delhi: Pearson, 2020. 4) Mankiw, N. Gregory. <i>Principles of Economics</i>. 6. New Delhi: Cengage Learning Pvt. Ltd., 2017. 5) Mishkin, Frederic S. <i>Macroeconomics: Policy and Practice</i>. 2. New Delhi: Pearson, 2017. 6) Nag, A. <i>Macroeconomics for Management Students</i>. 2nd . Delhi: MacMillan Publishers India Ltd., 2009. 7) Neva Goodwin, Jonathan Harris, Julie Nelson, Brian Roach and Mariano. <i>Macroeconomics in Context</i>. New Delhi: Routledge, 2017. 8) Santhakumar, V. <i>Economics in Action: An Easy Guide for Development Practitioners</i>. New Delhi: Sage Publications, 2013.

11	Internal Continuous Assessment: 40%	Semester End Examination: 60%
12	Continuous Evaluation through:	
	Sub-components	
	1) Written assignment of 1000 words involving analysis of events related to the course taken from a newspaper, magazine, journal etc.	
	2) Book review. The book selected must be approved by the teacher. A report of 1000 words must be submitted.	
	3) Class test	
13	Format of Question Paper: for the final examination	

Question Paper Pattern for Semester End Examination (SEE)

Maximum Marks: 60

Duration: 2 hours.

All questions are compulsory.

				MAX.MARKS
Q.1	a)		MODULE I	(5)
	b)			(5)
	c)			(5)
Q.2	a)		MODULE II	(5)
	b)			(5)
	c)			(5)
Q.3	a)		MODULE III	(5)
	b)			(5)
	c)			(5)
Q.4	a)		MODULE IV	(5)
	b)			(5)
	c)			(5)

Note sub-questions a, b and c can be on the following:

- i) Definitions
- ii) Short answers
- iii) Explanatory notes
- iv) Case lets and/or numerical problems requiring use of quantitative and/or qualitative methodology to find solutions.

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Approved by the BoS in Business Economics on 04-03-2025 Item No. 05

As Per NEP 2020

**Tolani College of Commerce
(Autonomous)**



Syllabus for 4 credit Course From the academic year 2025-2026

Name of the Course: Introduction Public Finance

Programmes
Bachelor of Management Studies (BMS)
B.Com. in Accounting and Finance (BAF)
B. Com in Financial Markets (BFM)

Sr. No.	Heading	Particulars
1	Description the course: Including but Not limited to:	This course provides a comprehensive overview of the key concepts and principles governing public finance, focusing on the government's role in revenue generation, expenditure management, and fiscal policy. Designed to equip students with a foundational understanding of how governments at various levels (national, state, and local) manage their finances, this course explores into the critical elements of public finance, including public revenue, public expenditure, public debt, and fiscal policy. Through a combination of lectures, case studies, and real-world examples, students will gain insight into the complexities and challenges of managing government finances and how these decisions impact public welfare, economic stability, and public policy.
2	Vertical:	Minor
3	Type:	Theory
4	Credit:	4 credits
5	Hours Allotted:	60 Hours
6	Marks Allotted:	100 marks (CE: 40 MARKS AND SEE: 60 MARKS)

7	<p>Course Objectives: By end of this course student should be:</p> <ol style="list-style-type: none"> 1) Analyze the fundamental concepts and principles of public finance, including its role in government operations and economic development. 2) Evaluate the various sources and methods of public revenue generation and their impact on government budgets and taxation. 3) Examine the intricacies of public expenditure and its role in delivering public services and promoting economic growth. 4) Demonstrate an understanding of fiscal policy and its application in managing economic cycles and addressing macroeconomic challenges.
8	<p>Course Outcomes: Upon completion of this course students will be:</p> <ol style="list-style-type: none"> 1) Apply foundational knowledge to critically assess and make recommendations regarding the financial strategies of governments at different levels. 2) Develop an understanding of how public finance decisions influence social and economic welfare and propose informed solutions to fiscal challenges. 3) Analyze the impact of fiscal policies on economic stability and their role in addressing economic issues such as inflation, recession, and unemployment. 4) Demonstrate an ability to think critically and engage in meaningful discussions about public finance issues, making informed decisions that contribute to sound fiscal management and public policy development.
9	<p align="center">Module I: Introduction to Public Finance (15 lectures)</p>
	<ol style="list-style-type: none"> 1. Public Finance: Meaning, importance and subject matter of public finance. 2. Important concepts: Public goods, Externalities, Impure public goods, Local public goods, Club good, Merit goods, Private goods, Market Failure, Tragedy of Commons, Asymmetric Information, Moral Hazard, and Adverse Selection. 3. The Principle of Maximum Social Advantage: Dalton and Musgrave's views, the Principle in Practice, Limitations, and the Dalton's Tests. 4. Scope of Government Activities: Market versus Government: The Debate on Privatisation and Public Services. 5. Excessive regulatory overreach: Understanding regulatory overreach, its impact on an economy and dealing with regulatory overreach.
	<p align="center">Module II: Public Revenue (15 hours)</p>
	<ol style="list-style-type: none"> 1. Meaning, importance, and source of Public Revenue: Tax and non-tax revenue. 2. Meaning of tax, its objectives, and Canons of Taxation. 3. Types of taxes: Direct and indirect taxes, tax base and rates of taxation: Proportional, progressive, and regressive taxation. 4. Shifting of tax burden: Impact and incidence of taxation and factors influencing incidence of taxation.

	5. Economic Effects of taxation: On income, wealth, consumption, production, savings, and investments.
	Module III: Public Expenditure and Public Debt (15 hours)
	1. Public expenditure: Meaning, canons, classification, and economic effects of public expenditure: On consumption, production, distribution, employment, and stabilisation.
	2. Theories of Public Expenditure: The Wagner's Hypothesis and The Wiseman-Peacock Hypothesis.
	3. Public Expenditure Growth: Causes of growth with reference to India.
	4. Public Debt: Meaning, importance, and classification.
	5. Burden of Debt Finance: Internal and external debt burden.
	Module IV: Fiscal policy and Management (15 hours)
	1. Fiscal Policy: Meaning, objectives, types (expansionary, contractionary, and neutral) and role in economic development.
	2. Principles of Sound and Functional Finance: Balanced Budget Principle, Cyclical, and counter-cyclical fiscal policy.
	3. Budget: Meaning, objectives, types, structure of the Union Budget, different types of deficits (revenue, fiscal, primary, and effective revenue deficits) and relationship between fiscal deficits and inflation.
	4. The Fiscal Responsibility and Budget Management Act, 2003: Guidelines, Targets and Escape clause.
	5. Intergovernmental Fiscal Relations: Fiscal Federalism and fiscal decentralization, Central-State Financial Relations, and the Recommendations of the 15 th Finance Commission.
	10 References:
	1) Acemoglu,D; David Laibson and John List. Macroeconomics. New Delhi: Person India, 2020.

- 2) Bhatia H L. Public Finance. 27, New Delhi: Vikas Publishing House Pvt Ltd, 2012.
- 3) Ghosh, Ambar and Chandana Ghosh. 2. New Delhi: PHI Learning Private Limited, 2014.
- 4) Hyman, D. Public Finance: A Contemporary Application of Theory to Policy. 10. New York: South-Western, Cengage Learning, 2011.
- 5) Hindriks, Jean and Gareth D. Myles. Intermediate Public Economics. New Delhi: Prentice-Hall of India Private Limited, 2007.
- 6) Mankiw, N. Gregory. *Principles of Economics*. 6. New Delhi: Cengage Learning Pvt. Ltd., 2017.
- 7) Mishkin, Frederic S. *Macroeconomics: Policy and Practice*. 2. New Delhi: Pearson, 2017.
- 8) Ramesh Singh. Indian Economy.13. McGraw Hill.New Delhi, 2021-2022.
- 9) Samuelson P and Nordhaus W. Economics.20. New Delhi:McGraw Hill, 2020.

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	c)			(5)

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