

CHANGE IN SEE QUESTION PAPER PATTERN WEF AY 2025-2026

AC –Approval on 27-11-2024

Item No. –05

Approved by the BoS in Business Economics on 13-11-2024 Item No. 05

As Per NEP 2020

Tolani College of Commerce (Autonomous)



Knowledge is Supreme

Programme: Bachelor of Commerce (B.Com.)
Title of the Course: Business Economics-III (Semester III)

Syllabus for 4 credit Course
From the academic year 2024-2025

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 (1 credit = 15 Hours for Theory or 30Hours of Practical work in a semester) |
| 5 | Hours Allotted: | 60 Hours |
| 6 | Marks Allotted: | 100 marks (CE 40 MARKS AND SEE 60 MARKS) |
| 7 | Course Objectives: By end of this course student should be: | <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. |

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Course Outcomes: Upon completion of this course students will be:

- 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.

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Module 1: Introduction to Macroeconomics (15 hours)

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)

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)

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)

1. Money Supply: Determinants of money supply, factors influencing velocity of circulation of money.

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 References:

- 1) D'Souza, Errol. *Macroeconomics*. 2. New Delhi: Pearson, 2012.
- 2) D.N. Dwivedi. *Managerial Economics*. 8. New Delhi: Vikas Publishing House, 2016.
- 3) Karl Case, Ray Fair and Sharon Oster. *Principles of Macroeconomics*. 12. New Delhi: Pearson, 2020.
- 4) Mankiw, N. Gregory. *Principles of Economics*. 6. New Delhi: Cengage Learning Pvt. Ltd., 2017.
- 5) Mishkin, Frederic S. *Macroeconomics: Policy and Practice*. 2. New Delhi: Pearson, 2017.
- 6) Nag, A. *Macroeconomics for Management Students*. 2nd . Delhi: MacMillan Publishers India Ltd., 2009.
- 7) Neva Goodwin, Jonathan Harris, Julie Nelson, Brian Roach and Mariano. *Macroeconomics in Context*. New Delhi: Routledge, 2017.
- 8) Santhakumar, V. *Economics in Action: An Easy Guide for Development Practitioners*. New Delhi: Sage Publications, 2013.

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| 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) | MCQ Based Test | |
| Total | | |
| 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) | | (5) |
| | b) | | (5) |
| | c) | | (5) |
| Q.2 | a) | | (5) |
| | b) | | (5) |
| | c) | | (5) |
| Q.3 | a) | | (5) |
| | b) | | (5) |
| | c) | | (5) |
| Q.4 | a) | | (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.