

Solapur University, Solapur

Semester Pattern Syllabus

B. Com. II

Business Economics – II

(w.e.f. June 2014)

Objective of the paper are as follows –

- 1) To explain the basic concepts and theories in Macro Economics to the students.
- 2) To inform the Macro Economic Policies and to create awareness about changes in various Macro Economic theories to the students.

Semester – III

Unit – I : Macro Economics

Meaning, nature, scope, significance and Limitations

Unit –II : National Income

- A) Meaning and concepts – GDP, GNP, NNP, Personal income, disposable income, per capita income, national income at current and constant prices.
- B) Methods of computing national income and it's difficulties.
 1. Production Method
 2. Income Method
 3. Expenditure Method
- C) Importance of National Income data.

Unit – III : Value of Money

- A) Concepts of value of money – Transaction approach, cash balance approach.
- B) Inflation and Deflation – Causes, effects and control.
- C) Index Number – Meaning and construction of simple and weighted index number.
- D) Importance of Index Number.

Unit – IV : Output and Employment

- A) Say's Law of Market
- B) Keynesian Employment Theory
- C) Consumption function – Average and Marginal Propensity to

consume – factors influencing consumption function.

D) The investment multiplier.

E) Investment function – Marginal efficiency of capital and its importance.

Semester – IV

Unit – I : Business Cycles

A) Meaning and phases

B) Theories of business cycles – Hawtrey and Schumpeter

Unit – II : Public Finance

A) Meaning, nature and Scope of Public Finance – The Principle of maximum social advantage.

B) Direct and indirect taxes – Meaning, merits and demerits, concept of value Added Tax (VAT) and its importance.

C) Public expenditure – Causes of growth in public expenditure, effects of public expenditure

D) Public debt – Kinds of public debt, causes and effects of public debt.

E) Public budget – Meaning and kinds of budgets.

Unit – III : International Trade

A) Meaning of internal and international trade.

B) Advantages and disadvantages of international trade.

C) Theories of International Trade – Ricardian theory and Heckscher – Ohlin theory.

D) Terms of Trade.

E) Balance of Payments – Disequilibrium – Causes and remedies.

Unit – IV : Foreign Exchange

A) Exchange rate – fixed, floating and spot.

B) Purchasing power Parity theory.

Reference Books:

1) Monetary Theory – Vaisha M.C.

2) Principles of Economics – Agarwal H.S.

- 3) Advanced Economic Theory – Jhingan M.L.
- 4) Economics – Benkam
- 5) Theory of International Trade – Haberler
- 6) Economics of J.M. Keynes – Dillard Dudley.
- 7) Economics, 114 Ed by P.A. Samuelson and William D. Nordhan
(Mc Graw Hill International)
- 8) An Introduction of positive Economics – R.G. Lipsey and K.A.
Criyatal (8th Ed.) ELBS, Oxford University Press.
- 9) Monetary Theory K.K. Dewett
- 10) Modern Economics Theroy – D.M. Mithani
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(Dr. D.R. Baad)

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Semester Pattern Syllabus

B. Com. II

Money and Financial System

(w.e.f. June 2014)

Semester – III

Unit – I : Money

Meaning and definition of Money, Types of Money, Functions & Constituents of Money supply in India. (M1, M2, M3, M4) high powered Money – meaning - uses and sources of changes in high powered money.

Unit – II : Money Market in India

Concept of money market – nature of money market – features of money market, Role of money market in economic development, organized money market – call money market – unorganized money market – hawala market.

Unit – III : Monetary Policy

Meaning – objectives of monetary policy – instruments of monetary policy application of monetary policy in inflation and recession – monetary policy and economic development – limitation of monetary policy.

Unit – IV : Finance in India

Role of finance in economy – Kinds of finance – financial system – components, financial intermediaries – banking and non-banking financial Institutions.

Semester – IV

Unit – I : Banking – Meaning – Definitions and Functions

- a) Primary functions.
- b) Secondary functions.
- c) Other functions/ miscellaneous function or utility services.

Unit – II : Opening & Operating Banking Accounts

- a) Opening & operating Banking Accounts – Procedure for opening account – know your customer (KYC) norms – Application Form –

Introduction – Proof of residence – Specimen Signature and nomination – their importance – No frills account.

- b) Operating Deposit Accounts – Pay-in-slips – withdrawal slip – passbook – cheque book – F.D. Receipt – Premature encashment of fixed deposit and loan against fixed deposit – Recurring deposit.
- c) Transfer of account – closure of accounts –
- d) Types of account holders.
- e) Methods of remittance – Demand Drafts, Banker's Cheque, Electronic Transfer (Real Time Gross Settlement [RTGS]) National Electronic Fund Transfer (NEFT)

Unit – III : Credit Money & Lending Principles

- a) Credit money & Credit creation – Process and limitations.
- b) Lending Principles – Safety, liquidity, Profitability diversification of risks – balancing of profitability and liquidity – priority lending's.

Unit – IV : Technology in Banking

Need and importance of technology in Banking – ATM – Credit Card – Debit Card – Tele Banking – Net Banking – SWIFT (Society for worldwide interbank Financial Tele Communication) Concept of core banking.

Reference Books

- 1) Sayers – Modern Banking.
- 2) Banking Law and Practice in India – Tannans.
- 3) Banking Theory and Practice – K.C. Shekhar
- 4) Modern Banking – M.C. Vaish.
- 5) Money Banking International Trade & Public Finance – Mithani D.M.
- 6) Banking – Theory, Law & Practice – Lordon, Natarajan.
- 7) ~±qH\$JMr Vîdo Am{U ~±qH\$J nÕVr - S>m°. Hw\$ê\$bH\$a
- 8) A{YH\$mof Am{U ZmUo~mOma - Ir. Am. Xoenm\$S>o
- 9) ~±qH\$JMo \\$m`Xo d `dhmanÕVr - djÚ ^m.h.
- 10) Current Banking Theory & Practice – S.K. Basu.

