

S.Y.B.A. Economics Syllabus Semester III & IV



Hindi Vidya Prachar Samiti's

Ramniranjan Jhunhunwala College

of Arts, Science & Commerce

(Autonomous College)

Affiliated to

UNIVERSITY OF MUMBAI

Syllabus for the S.Y.B.A.

Program: Economics

Program Code: RJAUECO

(CBCS)

2018-19

2019-20

2020-21

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SEMESTER III		L	Cr	
Paper: Micro Economics II	Paper Code: RJAUECO301	45	3	
UNIT I		12		
Utility analysis				
Preferences-Strong Ordering-Weak Ordering-Completeness- Transitivity- Rational Preference-Utility as representation of Preferences- Indifference Curves and their Properties- Budget Constraint- Utility maximization and Consumer's Equilibrium-Income Effect- Price Effect- Substitution Effect- Derivation of Demand Curve-Application of Indifference Curve				
UNIT II		11		
Production analysis				
Production Function- Cobb-Douglas Production Function- Short Run and Long Run Returns to Scale- Isoquants and their Properties- MRTS- Iso-Cost Curves- Cost Minimization and Producer's Equilibrium- Derivation of Factor Demand Curve.				
UNIT III		10		
Costs and Revenue				
Various concepts of Costs and their interrelationship- Behaviour of costs in the Short Run and the Long Run-Long Run Average Cost Curve and its Derivation- Implicit and Explicit Costs- Total Revenue-Marginal Revenue-Average Revenue				
UNIT IV		12		

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Competitive Markets			
Features of Perfect Competition- Price equals Marginal Cost in competitive markets-Supply Curve and Derivation in Competitive Markets- Equilibrium of the Firm and Industry-Consumer's Surplus- Producer's Surplus-Economic Efficiency in Competitive Markets.			

S.Y.B.A.	Semester III
RJAUECO301	Course Outcomes 3.1:
Paper:	<ol style="list-style-type: none"> 1. Developing understanding of consumer preferences and application of indifference curve. 2. Introduction of the basics of production function and theories. 3. Introduction of various cost concepts and application of revenue cost concepts in the real situations 4. Understanding of the competitive markets with equilibrium of the firm and industry
Micro Economics	<p>Learning outcomes:</p> <p>The paper is designed to develop the learner's understanding of basic tools of microeconomics analysis. It is designed to help the student apply microeconomics to the real world.</p>

Base Book:

1. N. Gregory Mankiw, (2015), Principles of Economics, 7th Edition, Cengage Learning.

References:

1. Sen Anindya (2007), Micro Economics: Theory and Applications, Oxford University Press, New Delhi
2. Salvatore D. (2003), Micro Economics: Theory and Applications, Oxford University Press, new Delhi
3. Ahuja H.L. (2005), Advanced Economic Theory, S Chand and Company, New Delhi
4. Dwivedi D N (2003), Micro Economics: Theory and Applications; Pearson Education Delhi
5. Stonier A.W. and Hague D.C. (2004), A Textbook of Economic Theory, Pearson Education, Delhi
6. Pindyck R., Rubinfeld D (2012) Microeconomics, Pierson Education

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SEMESTER III		L	Cr	
Paper: CORPORATE FINANCE	Paper Code: RJAUECO302	45	3	
UNIT I		10		
Overview of Corporate Finance				
Corporate Finance: Meaning, Principles and Goals- Agency Problem and the Control of the Corporation (Corporate Governance)- Role and Functions of Financial Manager- Forms of Business Organizations: Sole Proprietorship, Partnership, Corporation.				
UNIT II		11		
Sources of Corporate Finance				
Equity Capital- Internal Accruals- Preference Capital- Term Loans- Debentures- Different types of bonds-Hybrid Financing				
UNIT III		12		
Capital Budgeting and Investment Decisions				
Capital Budgeting: Meaning, Scope, Significance Methods of Investment Appraisal: Simple Pay Back Period, Discounted Pay Back Period, Average Rate of Return (ARR), Net Present Value (NPV) and Internal Rate of Return (IRR)				
UNIT IV		12		
Financial Statement and Ratio Analysis				
Financial Statements: Basic Concepts, Composition of Balance Sheet and Income Statement				
Ratio Analysis: Meaning, Significance and Limitations of Ratio Analysis. Types of Ratios: Liquidity Ratios (Current and Quick/ Acid Test)- Turnover on Asset Management Ratios (Inventory Turnover, Fixed Assets Turnover and Total Assets Turnover)- Debt Management or Financial Leverage Ratios (Debt and Debt Equity) and Profitability Ratios (Gross Profit Margin, Net Profit Margin, Return Total Assets)				

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S.Y.B.A.	Semester III
RJAUECO302 Paper: Corporate Finance	Course Outcomes 3.2 : <ol style="list-style-type: none">1. Introduction of the corporate finance2. Understanding of equity capital, preference capital, debentures, bonds3. To understand the capital budgeting and methods of capital budgeting4. Understanding financial statements and ratio analysis Learning outcomes: The content provides theoretical perspective and will enhance the learner's ability to apply the theoretical techniques to problem solving.

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Base Book:

1. Bodie Z. et.al. (2009), Financial Economics, Pearson Education, New Delhi

References:

2. Damodaran Aswath (2007): Corporate Finance Theory and Practice, Wiley Series in Finance: New York
3. Rustogi R.P. (2005): Financial Management, Galgotia Publishing Co. New Delhi
4. Watson, Denzil and Antony Head (2001): Corporate Finance: Principles and Practices, Pearson Education Ltd. Singapore
5. Chandra Prasanna (1993) Fundamentals of Financial Management, Tata Mc Graw- Hill Publishing Co. Ltd. New Delhi
6. Chandra Prasanna Finance Sense, Tata Mc Graw- Hill Publishing Co. Ltd. New Delhi
7. Brealy Meyer; Principles of Corporate Finance 8th edition, Tata Mc Graw- Hill Publishing Co. Ltd. New Delhi
8. Kucchal S.C. (2005): Financial Management, Chaitanya Publishing House: Allahabad
9. Ross Stephen, Randolph W., Westerfield, Bradford D. Jordan (2008): Fundamentals of Corporate Finance 8th edition, Tata MC Graw Hill Publishing Co.Ltd. New Delhi
10. Mathur, B.L. (2001): Elements of Finance, R.B.S.A. Publishers: Jaipur

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SEMESTER IV		L	Cr
Paper: Macro Economics	Paper Code: RJAUECO401	45	3
UNIT I		12	
Money			
Concept of Money- Supply of Money-CRR, CDR, High Powered Money and its Components Money Multiplier- Current Measures of Money Supply in India-Quantity Theory of Money-Inflation: Meaning, Types, Demand Pull, Cost Push -Velocity of Circulation-Factors affecting Velocity of Circulation-Cambridge Equations.			
UNIT II		11	
The Money Market			
Motives for holding money-Transactions Motive- Precautionary Motive- Speculative Motive- Interest rate as a cost of holding money-Liquidity Trap- Money Market Equilibrium- Derivation of LM Curve			
UNIT III		11	
The Goods Market			
Saving Function- Marginal Propensity to Save- Investment Demand Function and its Interest Elasticity-animal Spirits- Equilibrium in the Goods Market-Derivation of the IS Curve-Shifts in the IS curve.			
UNIT IV		11	
Monetary and Fiscal Policy			
Simultaneous Equilibrium in the Goods and Money Market (IS-LM Equilibrium)-Determination of Income and Interest Rates- Monetary Policy and its Instruments-Effectiveness of Monetary Policy-Fiscal Policy and its Instruments- Effectiveness of Fiscal Policy.			

S.Y.B.A.	Semester IV
RJAUECO401: Macro Economics	Course Outcomes 4.1: 1. Study of money, theories of money and inflation 2. Understanding motives of holding money and LM curve 3. Understanding Goods market equilibrium and IS curve 4. Understanding IS LM equilibrium and Policy Instruments Learning outcomes: To build on the understanding of basic macroeconomic identity. To enable the learner to understand how interest rate and income level are determined in a closed economy and how policy may affect these outcomes.

References:

1. N. Gregory Mankiw, Principles of Macro Economics, 7th Edition, Cengage Learning, 2015
2. Sikdar S (2006) Principles of Macro Economics, Oxford University Press, New Delhi
3. Abel, A.B.B.S. Bernanke and D. Croushore (2011), Macro Economics, Pearson, New Delhi

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SEMESTER IV		L	Cr	
Paper: Indian Financial System	Paper Code: RJAUECO402	Total	Total	
UNIT I		15		
Overview of Indian Financial System				
Meaning and components of financial system: Institutions, Instruments, Markets and Services – Functions and Role of Financial System- Financial system and Economic Development- Indicators of Financial Development: FR, FIR, NIR and IR				
UNIT II		15		
Banking Sector				
Role and functions of RBI- Monetary policy of RBI since 1990s- Developments in commercial banking sector since 1990s- Banking Sector Reforms-Management of NPAs: Capital Adequacy Norms- Basel Accord III- Payment banks- Mudra Bank-Digital Banking				
UNIT III		15		
Money and Capital Markets in India				
Money market: Components of organized money market- Reforms in the money market since 1990- Features of Indian Money Market Capital Market: Structure of Indian Capital Market- Role and Indian Capital Market in economic development- Recent Developments in the Capital Market-Role of SEBI Derivatives: Meaning, Significance and Types				
UNIT IV		15		
Non - Banking Sector of Financial System				

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NBFCs and their role in economic development – Mutual Funds- Merchant Banking-Islamic Banking- Lease Financing- Credit Rating Agencies.			

S.Y.B.A.	Semester IV
RJAUECO402	Course Outcomes 4.2:
Paper:	1. Understanding financial system and its components
Indian Financial	2. Understanding banking sector and developments
System	3. Study of money, capital and derivative markets in India.
	4. Study and rules of NBFC's, their working and developments of the sector
	Learning outcomes:
	The basic purpose is to acquaint learners with various components of the Indian Financial System, its working and the trends and turns that have taken place over the years.

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Base Book:

1. Rakesh Mohan and Partha Ray (2017), Indian Financial Sector, Structure, Trends and Turns

References:

1. Pathak Bharati (2008): The Indian Financial Systems- Markets, Institutions and Services, (2nd Edition), Pearson Education, New Delhi
2. Bhole, L.M. (2008): Financial Institutions and Markets, Growth and Innovation, Tata McGraw, Hill, New Delhi
3. Khan, M.Y. (2007): Financial Services, Tata McGraw Hill, New Delhi
4. Reserve Bank of India (various issues) Report on Currency and Finance, RBI, Mumbai
5. Links/Articles/Research Papers/White Papers Published by RBI will be provided as additional references