

UNIVERSITY OF MUMBAI
Revised Syllabus for F.Y.B.Com.
(Business Economics – Paper I)

SECTION I

Module 1: Demand Analysis

Utility: cardinal and Ordinal approaches – Indifference Curve Approach: Properties of Indifference Curves, Consumer's Equilibrium, Price effect, Derivation of demand curve from PCC – Consumer's Surplus – Elasticity of demand: Income, Cross and Promotional - Case Studies – Demand Forecasting: meaning, significance and methods – Case Studies.

Module 2: Theory of Production

Production Function: Short Run and Long Run – Law of Variable Proportions – Isoquant – Producer's Equilibrium – Returns to Scale – Economies of Scale – Economies of Scope.

Module 3: Cost Analysis

- A) Concepts: Social and Private costs, Economic and Accounting Costs, Fixed and Variable costs, Opportunity Cost
- B) Behaviour of cost Curves : Short Run and Long Run
- C) Learning Curve – Producer's Surplus – Case Studies

SECTION II

Module 4: Revenue Concepts

Total Revenue-Average Revenue and Marginal Revenue under Perfect Competition and Monopoly – Relationship between Average Revenue, Marginal Revenue and Elasticity of Demand – Objectives of a Firm: Profit, Sales and Growth Maximization - Break-Even Analysis – Case Studies.

Module 5: Markets

Equilibrium under Perfect Competition and Monopoly in Long Run – Monopolistic Competition: Features – Oligopoly: Features – Case Studies.
(15 Lectures)

Module 6: Pricing Methods

- A) Marginal Cost, Full Cost, Discriminatory, Dumping, Multi-Product and Transfer Pricing
- B) Capital Budgeting – Meaning and Importance – Investment Criteria: Pay Back Period Method, Net Present Value Method, and Internal rate of Return Method – Case Studies.

S.Y.B.Com.
(Business Economics – Paper II)

SECTION - I

- 1. Introduction to Macroeconomics:** Circular flow of income: Closed (two and three sector models) and open economy models- trade cycles: Feature and phases- changing Sectoral Contribution of India's National Income
- 2. Economy in the short-run:** Meaning of aggregate demand and equilibrium National Income ($Y=E$), Concepts of multiplier- Supply of Money: Constituents, Determinants, Velocity of Circulation of Money: RBI's Approach to Money Supply- Demand for Money, Liquidity Preference Approach. IS – LM Framework
- 3. Issues in Inflation, Employment and Unemployment:** Demand pull and Cost push, causes and effects of Inflation, Measures to control Inflation in India, Impact of Globalisation on employment in India, Nature of unemployment in India, Employment policy since 1991.

SECTION – II

- 4. Economic transition in India**
 - (A) Agriculture: Importance of agriculture in Indian economy, recent issues and policies in India agriculture- impact of WTO on Indian agriculture.
 - (B) Industry: Structural changes and composition of industry since 1991, Small scale industries: their role, problems and policies since 2000, Disinvestment: policies and issues – SEZ: Concept role and impact.
 - (C) Significance and growth of Service sector
- 5. Economy in the long-run:** Sources of growth – Concept and importance of Knowledge economy: Knowledge economy: Knowledge based Exports from India.
- 6. Inclusive growth:** Overview of Millennium Development Goals – Government policy to promote Human Development in India with reference to Health, Education and Family welfare – National population policy 2000

T.Y.B.Com.
(Business Economics – Paper III)

SECTION – I

Module 1: Commercial Banking

- (A) Commercial Banking: Assets and Liabilities of Commercial Banks- Trade off between Liquidity and Profitability
- (B) Banking Sector Reforms: Measures, Performance with Respect to Public, new Private and Foreign Banks in the Post Reforms Period – New Technology in Banking in India

Module 2: Central Banking

Changing trends in Monetary policy in India – RBI's Short Term Liquidity Management- Role and Performance of Macro Finance, Self Help Groups and Composite Credit.

Module 3: Financial Markets

- (A) Money Markets: Components and Features of Indian Money Market- Money Market Reforms in India
- (B) Capital Markets: Significance in Economic Development – Capital Market Reforms - Role of SEBI – Role of Importance of Mutual Funds, Equity Market, Forward Future and Commodity Market

SECTION – II

Module 4: Public Finance

Changing trend in Tax and Non-Tax in India – Public Expenditure: Classification of Public Expenditure, causes for Increase in Public Expenditure in India – Public Debt: Meaning and Classification – Burden of Internal and External Debt – Concepts of Deficits: Revenue, Budgetary, Fiscal and Primary Deficits – FRBM Act

Module 5: International trade and WTO

Gains from International trade – Balance of Trade and payments – Causes of Disequilibrium in BOP – Emerging trend in India's BOP position since 1991 – WTO: Functions and Agreements with reference to TRIPS, TRIMS and GATS

Module 6: Exchange Rate Determination

Exchange Rate Determination – Purchasing Power Parity Theory – Foreign Exchange Market – Functions and Dealers – Spot and Forward Exchange Rates – RBI's Intervention and Foreign Exchange Rate Management
