



HSNC University Mumbai

(2021-2022)

Ordinances and Regulations

With Respect to

Choice Based Credit System

(CBCS)

For the Programmes Under

Faculty of Humanities



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Ordinances and Regulations

With Respect to

Choice Based Credit System

(CBCS)

For the Programmes Under

Faculty of Humanities

For the Course

Economics

Curriculum – Second Year Undergraduate Programmes

Semester-III and Semester –IV

2021-22

Faculty of Humanities
Bachelor of Arts
Department of Economics

Part 1

*****Highlighted in green are proposed additions**

Preamble

The Department of Economics has strived to develop a curriculum that aims to encourage ethical, need-based, industry-endorsed and globally acceptable programmes and research.

The curriculum designed will not only teach the theoretical models but it will help the students to cultivate aptitudes of critical thinking and logical reasoning. The subject provides a scope to analyze various problems of macro economics, public finance and matters related to Indian economy. Through the curriculum the students will acquire many general and specific skills which will make them adaptable to many opportunities after graduation.

The second year of the course has been divided into two semesters. Semester III- paper III Introductory Macro Economics introduces the students to the basics of macroeconomics, national income, consumption, investment, demand for and supply of money and banking. Semester III- paper IV Public finance is the study of government policy from the point of economic efficiency and equity. It exposes the student to public budget through issues of taxation, expenditure, debt and concepts of deficit. Semester IV- paper V Intermediate Macro Economics provides further understanding of macroeconomic concepts like inflation and stagflation, monetary and fiscal policy, goods market and money market and external sector. Semester IV- paper VI Indian Economy deals with the nature and sector wise composition of Indian economy. The learners shall be able to understand the problems and prospects of Indian Economy.

Course Objectives:

1. To introduce the macroeconomic concepts like consumption, investment, multiplier, Money and the role of banks.

2. To familiarize the learners with concepts like inflation, stagflation and how to apply monetary and fiscal policy tools to deal with these problems.
3. It has become very important in modern times to keep abreast of the financial operations of the government. The approach of the public finance paper is to study various aspects of public finance-revenue, taxation, debt, budget etc.
4. The approach of the Indian Economy paper is to enable the learner to know the functioning, problems and latest developments in the economy. It helps them to understand the complexities of our economy in the context of globalization.
5. To enable students to think analytically and critically using logical reasoning.
6. It will help them to develop research skills by understanding the sources of data, its interpretation and analysis.
7. Introduction of online component (SWAYAM) will encourage self-learning.

2. Process adopted for Curriculum designing:

A team was constituted with experts to frame the syllabi of core courses of Introductory Macro Economics, Public Finance, Intermediate Macro economics and Indian economy. After conducting several meetings and discussions, the changes in the syllabus were introduced.

3. Salient features, how it has been made more relevant:

The current course is designed to enhance the knowledge and skill of the subject. While designing the curriculum, a well- balanced approach has been taken for both papers of Public finance and Indian economy so as to provide a clear understanding of the subject to the learners.

The course will help the students to develop requisite skills in areas which have direct bearing on future employment prospects and meet the requirements of business, corporate sector, public services and other professional jobs.

4. Learning Outcomes: The students will be able to:

1. Understand, summarize, analyse and apply the concepts of Macro Economics in their daily lives.
2. Comprehend the different theories of demand for and supply of money, role of central bank, commercial banks and the process of credit creation in the economy.

3. To make students aware about the basic concepts of public finance like taxation, public expenditure, public debt and budget.
4. Appreciate macroeconomic issues like inflation, Balance of payment, Exchange rate policy etc.
5. To familiarize the students with the basic structural dimensions of Indian economy and existing regional inequalities.
6. To help the learner to know each and every aspect of the three sectors of our Indian economy ie agricultural sector, industrial sector and services sector.
7. Develop skills and competencies to build a progressive and successful career in the field of Economics.

5. Input from stakeholders:

The modifications suggested by internal and external experts as well as alumni have helped to make the syllabus more holistic and comprehensive. The value addition in the syllabus will definitely prove to be extremely relevant in the context of growing demands of an economy.

Part 2 - The Scheme of Teaching and Examination

Semester – III

Sr. No.	Choice Based Credit System	Subjects		Subject Code	Remarks
1	BA-Economics	SYBA- Economics Paper III: Introductory Macroeconomics	Theory	US-FEC-301	
2	BA-Economics	SYBA- Economics Paper IV: Public Finance	Theory	US-FEC-302	

Semester – IV

Sr. No.	Choice Based Credit System	Subjects		Subject Code	Remarks
1	BA-Economics	SYBA- Economics Paper V: Intermediate Macroeconomics	Theory	US-FEC-401	
2	BA-Economics	SYBA- Economics Paper VI: Indian Economy	Theory	US-FEC-402	

Second year Semester-III and IV Internal and External Assessment Details

Sr. No.	Subject Code	Subject Title	Lectures Per Week (Lecture of 45 min)					Credits	Evaluation Scheme					Total Marks
			Units	S.L.*	L	T	P		SLE	TA	CT	Proj.	SEE	

Sr. No.	Subject Code	Subject Title	Lectures Per Week (Lecture of 45 min)					Credits	Evaluation Scheme						Total Marks
			Units	S.L.*	L	T	P		SLE	TA	CT	Proj.	SEE	PE	
1	UH-FEC-301	Economics Paper III: Introductory Macroeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
2	UH-FEC-302	Economics Paper IV: Public Finance	4	20 %	4	0	0	3	10	05	15	10	60	0	100
3	UH-FEC-401	SYBA- Economics Paper V: Intermediate Macroeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
4	UH-FEC-402	SYBA- Economics Paper VI: Indian Economy	4	20 %	4	0	0	3	10	05	15	10	60	0	100
		Total						6							400

*One to two lectures to be taken for CONTINUOUS self-learning evaluation

L: Lecture, T: Tutorials, P: Practical, Ct-Core Theory, CP-Core Practical, CT-Class Test, TA-Teacher Assessment, SLE : Self Learning Evaluation, Proj.- Project/Assignment, PE : Practical Evaluation, SEE: Semester end examination

• Lecture Duration – 50 Minutes • One Credit = 15 Classroom teaching hours

Part 3: Detailed Scheme Theory

Semester III

Syllabus Information

Sr. No	Course Code	Title	Credits	Lectures
1	UH-FEC-301	Economics-Paper III (Introductory Macroeconomics)	3	48
2	UH-FEC-302	Economics-Paper IV (Public Finance)	3	48

Title: Introductory Macroeconomics-Paper III

Units	Modules	No. of Lectures

1	Module 1: Introduction to Macro Economics and National Income 1.1 Introduction: Meaning and Scope of Macro Economics, Limitations of Macro Economics 1.2 Concepts of National Income: GNP, NNP, NDP, Per Capita Income, Personal Income and Disposal Income 1.3 Methods and Difficulties in Measurement of National Income 1.4 Circular Flow of National Income: Closed Economy (Two and Three Sector) and Open Economy Models (Four Sector Model) 1.5 Business Cycles	12
2	Module 2: Consumption and Investment 2.1 Says Law of Market 2.2 Theory of Effective Demand 2.3 Consumption Function 2.4 Investment Multiplier, Super-multiplier 2.5 Marginal Efficiency of Capital and Rate of Interest 2.6 Accelerator Principle	12
3	Module – 3: Supply of Money and Demand for Money 3.1 Supply of Money, Money multiplier, Velocity of Circulation of Money, RBI’s Approach to Measurement of Money Supply 3.2 Demand for Money: Classical, Keynesian and Friedman’s Approaches	12
4	Module – 4: Banking 4.1 Banking: Commercial Bank, Functions of Commercial Banks 4.2 Multiple Credit Creation, Balance Sheet of Commercial Bank 4.3 Developments in the Banking Sector Since 1991 4.4 Central Bank: Functions of Central Bank - Traditional, Developmental, Promotional	12

Self-Learning components (Unit wise)

Module	Topic	Swayam Link
1	1.1 Limitations of Macro economics	https://youtu.be/jhuQGU9xA-k
1	1.5 Business cycles	https://youtu.be/3xiUAxxsqTI
2	2.3 Consumption function	https://youtu.be/9URYIqRpAik

3	3.2 Friedman's approach to demand for money	https://youtu.be/udlcZyMUt-E
4	4.2 Multiple Credit creation	https://youtu.be/fxurAVj4f_w

References:

1. Abel A. B. B. S. Beranake and D. Croushore, Macroeconomics, 10th edition, Pearson, 2019.
2. Ahuja H. L., Macroeconomics theory and Policy, 20th edition, S. Chand and company Ltd, 2015.
3. Dwivedi D.N., Macroeconomics theory and Policy, 5th edition, Mcgraw -Hill Publication company Ltd. Delhi, 2018.
4. Dornbusch Rudiger, Fischer, Stanley and Startz, 12th edition Edition), Macroeconomics Delhi: Mcgraw -Hill Publication, 2018.
5. N. Gregory Mankiw, Principles of Macroeconomics, 9th edition, Cengage Learning, 2020.

Title: Public Finance-Paper IV

Units	Modules	No. of Lectures
1	Module 1 Introduction 1.1 Meaning and Scope of Public Finance 1.2 Public Finance versus Private Finance 1.3 Market Failure: Public Goods and Private Goods; Externalities 1.4 Efficiency versus Equity 1.5 Principles of Sound Finance and Functional Finance Allocation, Distribution, Stabilisation and Growth Functions of the Government	12
2	Module 2 Fiscal Policy: Budget and Taxation 2.1 Dalton's and Musgrave Versions of the Law of Maximum Social Advantage 2.2 Role of Government in a Modern Economy 2.3 Types of Public Budget, Structure of Public Budget 2.4 Role of Taxation 2.5 Merits and Demerits of Direct and Indirect Tax Policy, Features of Good Tax System 2.6 Concept of Impact, Incidence and Shifting of Taxation; Elasticity and Determination of Tax Burden	12

3	Module 3 Fiscal Policy: Public Expenditure and Debt 3.1 Canons of Public Expenditure, Classification of Public Expenditure, Wagner's Law of Public Expenditure, Causes of growth of public expenditure , Public Expenditure as an Instrument of Fiscal Policy 3.2 Meaning and Types of Public Debt; Burden of Public Debt; Principles of Public Debt Management; 3.3 Concepts of Deficits	12
4	Module 4 Indian Public Finance (12 Lectures) 4.1 Budget of The Government of India (Previous Financial Year) 4.2 Sources of Public Receipts (Tax And Non-Tax, Introduction To GST) 4.3 Components of Public Expenditure; Sources of Public Borrowing and Debt Liabilities; Deficits 4.4 Appraisal of FRBM Act 2004 4.5 Fiscal Federalism: Fourteenth and Fifteenth Finance Commission Recommendations	12

Self-Learning components (Unit wise)

Module	Topic	SWAYAM Link
1	1.1 Scope of Public Finance	https://youtu.be/Kzz_yaT_mwM
2	2.6 Incidence of tax	https://youtu.be/EvS7PsUFH_4
3	3.1 Public expenditure	https://youtu.be/-KCpvOsCsKA
4	4.5 Fiscal Federalism	https://youtu.be/6U6BU84K1Zk

References:

- 1.R. Musgrave and P. Musgrave, Public Finance in Theory and Practice, 5th edition, Mc Graw Hill Education,2017.
- 2.J. Hindriks, G. Myles, Intermediate Public Economics, 2ndEdition, MIT Press,2013.
3. Harvey Rosen,Public Finance, 10th Edition, McGraw Hill Publications,2014.
4. Kaushik Basu and Maertens (ed,.)The New Oxford Companion to Economics in India, Oxford University Press,2012.
5. Sury M.M., Government Budgeting in India, Commonwealth Publishers,1990.
6. Bhatia H.L., 29th edition ,Public Finance, Vikas Publications,2018.
7. Report of the Fourteenth and Fifteenth Finance Commission, Government of India.

Semester IV

Syllabus Information

Sr. No	Course Code	Title	Credits	Lectures
1	UH-FEC-401	Economics-Paper V (Intermediate Macroeconomics)	3	48
2	UH-FEC-402	Economics-Paper VI (Indian Economy)	3	48

Title: Intermediate Macroeconomics-Paper V

Units	Modules	No. of Lectures
1	Module - 1: Inflation 1.1 The Economics of Depression 1.2 Hyper Inflation; Inflation: Features and Causes, Demand Pull Inflation and Cost Push Inflation, Effects of Inflation, Nature of Inflation in Developing Economy, Phillips Curve 1.3 Stagflation: Meaning, Causes and Consequences	12
2	Module– 2: Economic Policy 2.1 Monetary Policy: Objectives, Instruments, Limitations, Role of Monetary Policy in Developing Economies 2.2 Fiscal Policy-Objectives, Instruments, Limitations and Role of Fiscal Policy in Developing Economies, Fiscal Responsibility and Budget Management act 2.3 Policies to deal with inflation, hyper-inflation and stagflation	12

3	<p>Module – 3: Post Keynesian Economics</p> <p>3.1 The IS-LM Model of Integration of Commodity and Money Market; IS Curve: Derivation of IS Curve, Shift in IS Curve, Equilibrium in Goods Market</p> <p>3.2 LM Curve: Derivation of LM Curve, Shift in LM Curve, Equilibrium in Money Market; Simultaneous Equilibrium in Goods and Money Market</p>	12
4	<p>Module – 4: External Sector</p> <p>4.1 Balance of Payment: Structure, Disequilibrium in Balance of Payment, Types, Causes and Measures to Correct Balance of Payment Disequilibrium</p> <p>4.2 Foreign Exchange Market: Determination of Exchange Rate: Fixed and Flexible Exchange Rate, Managed float, Spot and Forward Exchange Rate; Exchange Rate Policy.</p>	12

Self-Learning components (Unit wise)

Module	Topic	Swayam Link
1	1.2 Demand Pull Inflation and Cost Push Inflation	https://youtu.be/18y9d1-CL-E
1	1.2 Effects of Inflation	https://youtu.be/_BX_Mo3u6k4
2	2.1 Monetary policy instruments	https://youtu.be/idMHj8FpbuQ
3	3.2 LM model	https://youtu.be/B0PoaY_v_-M
4	4.1 Balance of Payment	Mod-01 Lec-19 Lecture 19 https://youtu.be/d3VOfnNNGI

References

1. Richard Froyen, Macroeconomics: Theories and policies, 10th edition, Pearson, 2013.
2. Eroll D'Souza, Macroeconomics, 1st edition, Pearson, 2009.
3. Suman Kalyan Chakraborty, Macroeconomics, Himalaya Publishing House, 2010.
4. N. Gregory Mankiw, Principles of Macroeconomics, 9th edition, Cengage Learning, 2020.
5. Francis Cherunilam, International Economics, 6th edition, McGraw-Hill Publication, 2020.
6. Bo Soderstein, International Economics, 3rd edition, Palgrave Macmillan, 1994.

Title: Indian Economy- Paper VI

Units	Modules	No. of Lectures
1	Module 1: Introduction (12 Lectures) 1.1 Trends in India's National Income and PCI Since 1990; Structural Changes In Indian Economy 1.2 Brief Overview of the Employment Generation and Poverty Alleviation Programmes 1.3 Regional Inequalities; Measures to Reduce Regional Inequalities in India	12
2	Module 2: Agricultural Sector (12 Lectures) 2.1 Role of Agriculture in Economic Development; Causes of Low Productivity, Measures to improve productivity 2.2 Agricultural Inputs 2.3 Land Reforms 2.4 Agricultural Price Policy: Recent Minimum Support Price Policy; Income Support for Farmers; 2.5 Sources of Agricultural Finance; Micro Finance; NABARD: Role and Functions 2.6 Agricultural Marketing: Structure and Problems; 2.7 National Policy for Farmers, 2007; Farm Producer's Organisations, Farm Laws, Organic Farming Policy 2.8 Food Security in India	12
3	Module 3: Industrial Sector (12 Lectures) 3.1 Infrastructure for Industrial Development 3.2 Industrial Policies in India; Industrial Policy of 1991 3.3 Micro, Small and Medium Enterprises (MSMEs): Classification, Role and Policy Measures 3.4 Growth of Large Scale Industries and Economic Development 3.5 Recent Policies and Programs for	12

	Industrial Development: Start Up India, Make in India, Skill India 3.6 Role and Trends of FDI in Industrial Sector Development	
4	Module 4: Service Sector (12 Lectures) 4.1 Role of Service Sector in Indian Economy 4.2 Growth and Performance of Healthcare; Performance of Trade and Tourism, Information Technology and IT - Enabled Services; Research and Development Services With Reference to Education and Skill Development in Employment Generation in India 4.3 Performance of Service Sector in recent years 4.4 Platform based services	12

Self-Learning components (Unit wise)

Unit	Topic	SWAYAM Link
1	1.1 Regional inequalities	https://youtu.be/gNXwCGiq3zo
2	2.1 Role of Agriculture in Economic Development	https://youtu.be/KSLHo9Si6aM
3	3.2 Industrial Policy	https://youtu.be/G5sQHTcIHEM
4	4.1 Role of Service Sector in Indian Economy	https://youtu.be/RzWR7q11dxA

References

1. Brahmananda, P.R. and V.R. Panchmukhi (Eds.), 'Development Experience in the Indian Economy: Inter-State Perspectives', Bookwell, New Delhi, 2001.
2. Datt, Ruddra and K.P.M, Sundaram, 'Indian Economy', S. Chand & Company Ltd., New Delhi, 2017.
3. Misra, S. K. and V. K. Puri, 'Indian Economy', Himalaya Publishing House, Mumbai, 2018.
4. Ashwini Mahajan, Gaurav Datt, 'Indian Economy', S. Chand and Company, New Delhi, 2018.

Part 4: Evaluation criteria and Question Paper Pattern

Division of Marks: 40-60

Continuous assessment and Evaluation (CAE): 40 marks

	Internal Evaluation of 40 Marks	
Sr. No.	Particulars	Marks
1	ONE class test / online examination to be conducted in the given semester	15

2	One assignment based on curriculum (to be assessed by the teacher Concerned	10 Marks
3	Self-Learning Evaluation	10 Marks
4	Active participation in routine class instructional deliveries	5 Marks

Semester End Examination (SEE): 60 marks

Duration : 2Hours

Question	Particulars	Marks
1	From Unit 1 with internal choice	15
2	From Unit 2 with internal choice	15
3	From Unit 3 with internal choice	15
4	From Unit 4 with internal choice	15