



**HSNC University Mumbai**  
(2020-2021)

Ordinances and Regulations

With Respect to

Choice Based Credit System  
(CBCS)

For the Programmes Under

**Faculty of Science**

For the Course

**Economics**

**Curriculum – First Year Undergraduate Programmes**

**Semester-I and Semester –II**

**2020-21**

**Section-D**  
**Faculty of Science**  
**Department of Economics**  
**FYBSC**

**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 subject of Economics deals with consumer theory, producer theory, markets, national income, international trade, monetary policy, fiscal policy, development theories, economic thought and many more to understand individual markets as well as the aggregate economy. The curriculum will not only teach the theoretical models but it will help the students to cultivate a way of thinking that requires a critical eye and a rigorous method of logical reasoning. The subject provides a scope to analyze problems quantitatively by using a mathematical approach. Through the curriculum the students will acquire many general and specific skills which will make them adaptable to many opportunities after graduation.

The first year of the course has been divided into two semesters. Semester I Paper I introduces the students to the basics of Microeconomics, Demand, Supply, Equilibrium, Elasticity, and the consumer theory. Semester I Paper II introduces the students to the basics of macroeconomics, national income, consumption, investment, demand for and supply of money and banking. Semester II Paper III takes it forward by introducing producer theory, theory of firm, perfect and imperfect markets. Semester II Paper IV provides further understanding of macroeconomic concepts like inflation and stagflation, monetary and fiscal policy, goods market and money market and external sector.

The curriculum tries to encourage students towards self-learning. Some of the topics have been identified for them to learn through the various online resources launched by the University Grants Commission (UGC) along with the Ministry of Education. The same topics will be used for discussions using case studies. They will be assessed using short assignments based on those materials.

Thus, our curriculum in Economics will provide analytical and critical thinking tools to address challenges in the students' professional career.

### **1. Course Objectives:**

1. To provide an intuitive overview of demand side and supply side knowledge of Economics.
2. To make the students aware of the basic applications of microeconomic concepts to analyze its relevance in the real world.
3. To introduce the macroeconomic concepts like consumption, investment, multiplier, Money and the role of banks, inflation, monetary and fiscal policy.
4. To introduce students to simple mathematical tools and their use in economic theory.
5. To introduce various concepts using case studies and interactive games.
6. To think analytically and critically using logical reasoning.
7. To encourage self-learning through online component (SWAYAM ).

### **2. Process adopted for Curriculum designing:**

A team was constituted with four internal members, four alumni and three external experts to frame the syllabi of core courses of micro and macro economics. 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 introductory and intermediate papers of micro and macro economics 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 Micro and Macro Economics in their daily lives.
2. Understand the behaviour of the consumer, producer, firms and markets.

3. Differentiate the various cost concepts and interrelationship between revenue concepts under different market conditions.
4. Understand the various objectives of a firm and their pricing methods.
5. 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.
6. Appreciate macroeconomic issues like inflation, Balance of payment, Exchange rate policy etc.
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 – I

Sr. No.	Choice Based Credit System	Subjects		Subject Code	Remarks
1	BSc-Economics	FYBSc-Economics Paper I: Introductory Microeconomics	Theory	US-FEC-101	
2	BSc-Economics	FYBSc-Economics Paper II: Introductory Macroeconomics	Theory	US-FEC-102	

### Semester – II

Sr. No.	Choice Based Credit System	Subjects		Subject Code	Remarks
1	BSc-Economics	FYBSc-Economics Paper III: Intermediate Microeconomics	Theory	US-FEC-201	
2	BSc-Economics	FYBSc-Economics Paper IV: Intermediate Macroeconomics	Theory	US-FEC-202	

### First year Semester-I and II 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	PE	
1	US-FEC-101	Economics Paper I: Introductory Microeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
2	US-FEC-102	Economics Paper II: Introductory Macroeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
3	US-FEC-201	Economics Paper III: Intermediate Microeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
3	US-FEC-202	Economics Paper IV: Intermediate Macroeconomics	4	20 %	4	0	0	3	10	05	15	10	60	0	100
		Total						12							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 I

#### Syllabus Information

Sr. No	Course Code	Title	Credits	Lectures
1	UH-FEC-101	Economics-Paper I (Introductory Microeconomics)	3	48

#### Title: Introductory Microeconomics

Units	Modules	No.of Lectures
1	<b>Introduction to Microeconomics</b> 1.1 Microeconomics: Meaning, Scope, Importance and Limitations 1.2 Basic Economic Problems: Scarcity and Choice 1.3 The Economist as a Policy Adviser: Positive Economics and Normative Economics 1.4 The Economist as a Scientist: The Scientific Method, Role of Assumptions 1.5 Concept of Equilibrium (General and Partial), Efficiency 1.6 Basic Tools of Economists: Equations, Functions, Identities, Graphs, Line, Slope, Intercept (Plotting graphs, calculating slopes using basic calculus).	12
2	<b>Ten Principles of Economics</b> 2.1 Trade-Off Faced by the Individuals; Significance of Opportunity Cost in Decision Making; Thinking at the Margin; Responses to incentives 2.2 Benefits from Exchange; Role of Price Mechanism in a Market Economy; Organization of Economic Activities through Markets and its Benefits; Role of Government in improving Market Outcomes 2.3 Dependence of Standard of Living on Production; Growth in Quantity of Money; Inflation and Unemployment Trade Off	8
3	<b>Markets, Demand and Supply</b>	12

	<p>3.1 What is a Market; What is Competition</p> <p>3.2 Demand Curves: Market Demand versus Individual Demand, Movements along the Demand Curve, Shifts in the Demand Curve</p> <p>3.3 Supply Curves: Market Supply and Individual Supply, Shifts in Supply Curve;</p> <p>3.4 Market Equilibrium: (graphically and algebraically), Three Steps to Analyze Changes in Equilibrium</p> <p>3.5 Price Elasticity of Demand, Methods of Measuring Price Elasticity of Demand – Total Outlay Method, Percentage Method and Point Method</p> <p>3.6 Concepts of Income Elasticity of Demand, Cross Elasticity of Demand and Promotional Elasticity of Demand</p> <p>3.7 Elasticity of Supply</p> <p>3.8 Application of Demand and Supply: Price Ceiling and Price Floor, Incidence of Tax</p>	
4	<p><b>Consumer's Behaviour</b></p> <p>4.1 Introduction to Cardinal and Ordinal Approaches</p> <p>4.2 Indifference Curve Analysis - Properties of Indifference Curves, Budget Line</p> <p>4.3 Consumer's Equilibrium; Income, Price and Substitution Effect</p> <p>4.4 Derivation of Demand Curve</p> <p>4.5 Consumer's Surplus</p> <p>4.6 Strong Ordering and Weak Ordering</p> <p><i>Note: Case studies and numerical examples from modules 1, 2 and 3 can be used for assessment.</i></p>	16

### Self-Learning Components (Unit Wise)

Module	Topic	Swayam Link
Module 2	Role of Price Mechanism in a Market Economy	<a href="https://youtu.be/FxCui2h78mE">https://youtu.be/FxCui2h78mE</a>
Module 3	Demand Curves: Market Demand versus Individual Demand, Movements along the Demand Curve, Shifts in the Demand Curve	<a href="https://youtu.be/XGuytnK41VQ">https://youtu.be/XGuytnK41VQ</a>

	Supply Curves: Individual Supply, Shifts in Supply Curve;	<a href="https://youtu.be/zzG6a9uInVo">https://youtu.be/zzG6a9uInVo</a>
Module 4	Budget Line	<a href="https://youtu.be/bqmF5XSdYXI">https://youtu.be/bqmF5XSdYXI</a>

### References

1. Ahuja H.L, (2018) “Advanced Economic Theory” S.Chand & Company Ltd.
2. Mankiw Gregory N, (2018), “Principles of Microeconomics” 8<sup>th</sup> edition- Cengage Learning.
3. Salvator D, (2008) “Microeconomics Theory and Applications” 5<sup>th</sup> edition, Oxford University press, New Delhi.
4. Sen Anindya, (2007), “Microeconomics Theory and Applications” Oxford University press, New Delhi.

## Semester – I

### Syllabus Information

Sr.No	Course Code	Title	Credits	Lectures
1	US-FEC-102	Economics Paper II (Introductory Macroeconomics)	3	48

### Title: Introductory Macroeconomics

Units	Modules	No. of Lectures
1	<p><b>Module 1: Introduction to Macro Economics and National Income</b></p> <p>1.1 Introduction: Meaning and Scope of Macro Economics, Limitations of Macro Economics</p> <p>1.2 Concepts of National Income: GNP, NNP, NDP, Per Capita Income, Personal Income and Disposal Income</p>	12



	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	
<b>2</b>	<b>Module 2: Consumption and Investment</b> 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	<b>12</b>
<b>3</b>	<b>Module – 3: Supply of Money and Demand for Money</b> 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	<b>12</b>
<b>4</b>	<b>Module – 4: Banking</b> 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	<b>12</b>

**Self-Learning components (Unit wise)**

<b>Module</b>	<b>Topic</b>	<b>Swayam Link</b>
<b>1</b>	1.1 Limitations of Macro economics	<a href="https://youtu.be/jhuQGU9xA-k">https://youtu.be/jhuQGU9xA-k</a>
<b>1</b>	1.5 Business cycles	<a href="https://youtu.be/3xiUAxxsqTI">https://youtu.be/3xiUAxxsqTI</a>
<b>2</b>	2.3 Consumption function	<a href="https://youtu.be/9URYIqRpAik">https://youtu.be/9URYIqRpAik</a>
<b>3</b>	3.2 Friedman's approach to demand for money	<a href="https://youtu.be/udlcZyMUt-E">https://youtu.be/udlcZyMUt-E</a>
<b>4</b>	4.2 Multiple Credit creation	<a href="https://youtu.be/fxurAVj4f_w">https://youtu.be/fxurAVj4f_w</a>

**References:**

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

**Semester- II****Syllabus Information**

<b>Sr. No</b>	<b>Course Code</b>	<b>Title</b>	<b>Credits</b>	<b>Lectures</b>
<b>1</b>	<b>US-FEC-201</b>	<b>Economics-Paper III (Intermediate Microeconomics)</b>	<b>3</b>	<b>48</b>

**Title: Intermediate Microeconomics**

<b>Units</b>	<b>Modules</b>	<b>No.of Lectures</b>
<b>1</b>	<b>Production Analysis</b> 1.1. Production Function: Concept and Types including Cobb Douglas Production Function 1.2 Concepts of Total, Average and Marginal Product 1.3 Isoquants, Producers' Equilibrium, Expansion Path 1.4 Law of Variable Proportions and Returns to Scale 1.5 Economies and Diseconomies of Scale	<b>12</b>

	1.6 Producer's Surplus.	
2	<b>Cost &amp; Revenue Analysis</b> 2.1 Concepts of Costs: Money and Real Cost, Social Cost, Private Cost, Explicit and Implicit Cost, Opportunity Cost 2.2 Relationship between Average Cost, Marginal Cost and Total Cost 2.3 Derivation of Short Run and Long Run Cost Curves; 2.4 Concepts of Revenue: Total Revenue, Average Revenue and Marginal Revenue ; their relationships in Perfect and Imperfect Markets	12
3	<b>Theory of the Firm and Perfect Competition</b> 3.1 Objective of Firms: Profit maximization (TR-TC and MR-MC Approach), Sales maximization 3.2 Market Structures 3.3 Perfect Competition: Features, Short Run and Long Run Equilibrium of Firm and Industry 3.3 Break-Even Analysis	12
4	<b>Imperfect Competition and Pricing</b> 4.1. Monopoly: Features, Short Run and Long Run Equilibrium of Firm and Industry, Price Discrimination, Dumping 4.2 Monopolistic Competition: Features, Short Run and Long Run Equilibrium of Firm and Industry, Product Differentiation, Selling Cost and Wastages under Monopolistic Competition 4.3 Pricing Methods: Full-cost pricing, Marginal Cost pricing, Multi-product pricing  <i>Note: Case studies and numerical examples from modules 1, 2 3 and 4 can be used for assessment.</i>	12

### Self Learning Components (Unit Wise)

Module	Topic	Swayam Link
Module 1	Economies and Diseconomies of Scale	<a href="https://youtu.be/ppAzTw0jGD8">https://youtu.be/ppAzTw0jGD8</a>

Module 2	Relationship between Average Cost, Marginal Cost and Total Cost	<a href="https://youtu.be/3Eo2g2VWtks">https://youtu.be/3Eo2g2VWtks</a>
Module 3	Market Structures	<a href="https://youtu.be/5XxlSk_OvP8">https://youtu.be/5XxlSk_OvP8</a>
Module 4	Wastages under Monopolistic Competition	<a href="https://youtu.be/MHv2I7dfu4Y">https://youtu.be/MHv2I7dfu4Y</a>

### References

1. Ahuja, H.L (2018), “Advanced Economic Theory” S.Chand & Company Ltd
2. Koutsoyannis. A, (2015), Modern Microeconomics, 2nd edition, Palgrave Macmillan.
3. Mankiw Gregory N, (2018), “Principles of Microeconomics” 8<sup>th</sup> edition- Cengage Learning.
4. Sen Anindya, (2007),“Microeconomics Theory and Applications” Oxford University press, New Delhi.

## Syllabus Information

Sr.No	Course Code	Title	Credits	Lectures
1	US-FEC-202	Economics Paper IV (Intermediate Macroeconomics)	3	48

## Title: Intermediate Macroeconomics

Units	Modules	No. of Lectures
1	<p><b>Module - 1: Inflation</b></p> <p>1.1 The Economics of Depression</p> <p>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</p> <p>1.3 Stagflation: Meaning, Causes and Consequences</p>	12
2	<p><b>Module- 2: Economic Policy</b></p> <p>2.1 Monetary Policy: Objectives, Instruments, Limitations, Role of Monetary Policy in Developing Economies</p> <p>2.2 Fiscal Policy-Objectives, Instruments, Limitations and Role of Fiscal Policy in Developing Economies, Fiscal Responsibility and Budget Management act</p> <p>2.3 Policies to deal with inflation, hyper-inflation and stagflation</p>	12
3	<p><b>Module – 3: Post Keynesian Economics</b></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

<b>4</b>	<b>Module – 4: External Sector</b> 4.1 Balance of Payment: Structure, Disequilibrium in Balance of Payment, Types, Causes and Measures to Correct Balance of Payment Disequilibrium 4.2 Foreign Exchange Market: Determination of Exchange Rate: Fixed and Flexible Exchange Rate, Managed float, Spot and Forward Exchange Rate; Exchange Rate Policy.	<b>12</b>
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#### Self-Learning components (Unit wise)

Module	Topic	Swayam Link
1	1.2 Demand Pull Inflation and Cost Push Inflation	<a href="https://youtu.be/18y9d1-CL-E">https://youtu.be/18y9d1-CL-E</a>
1	1.2 Effects of Inflation	<a href="https://youtu.be/BX_Mo3u6k4">https://youtu.be/BX_Mo3u6k4</a>
2	2.1 Monetary policy instruments	<a href="https://youtu.be/idMHj8FpbuQ">https://youtu.be/idMHj8FpbuQ</a>
3	3.2 LM model	<a href="https://youtu.be/B0PoaY_v_-M">https://youtu.be/B0PoaY_v_-M</a>
4	4.1 Balance of Payment	Mod-01 Lec-19 Lecture 19 <a href="https://youtu.be/d3VOdfnNNGI">https://youtu.be/d3VOdfnNNGI</a>

#### References

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

## Part 4: Evaluation Criteria and Question Paper Pattern

**Division of Marks: 40-60**

**Continuous assessment and Evaluation (CAE): 40 marks**

	<b>Internal Evaluation of 40 Marks</b>	
<b>Sr. No.</b>	<b>Particulars</b>	<b>Marks</b>
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**

<b>Question</b>	<b>Particulars</b>	<b>Marks</b>
<b>1</b>	<b>From Unit 1 with internal choice</b>	<b>15</b>
<b>2</b>	<b>From Unit 2 with internal choice</b>	<b>15</b>
<b>3</b>	<b>From Unit 3 with internal choice</b>	<b>15</b>
<b>4</b>	<b>From Unit 4 with internal choice</b>	<b>15</b>

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