

University of Pune

Board of Studies in Economics

S.Y.BA. Economics Revised Syllabus (*NEW*)

From - 2014-15

| Code No. | Title of the paper |
|-----------------|---------------------------|
| G.2 | Modern Banking |
| S. 1 | Micro Economics |
| S. 2 | Macro Economics |

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University of Pune
S.Y.B.A. Economics Revised Syllabus
G-2, Modern Banking
From : June – 2014

PREAMBLE

To create the awareness among the students of Modern Banking System. Banking constitutes important components towards understanding of economics. Clear understanding of the operations of banking their interaction with the rest of the economy is essential to realize how monetary forces operate through a multitude of channels- market, non-market, institutions and among others, the state.

First Term

| Chapter No. | Title of the Chapter | Lectures |
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| 1 | Evolution of Modern Banking 1.1 Meaning & Definition of Bank. 1.2 Banking in Europe, USA & Asia. 1.3 Evolution of Banking in India. 1.4 Structure of Indian Banking System | 12 |
| 2 | Functions of Commercial Banks 2.1 Primary Functions-Accepting Deposits, Granting Loans & Advances. 2.2 Secondary Functions-Agency Functions, General Utility Functions 2.3 Methods of Remittances. | 12 |
| 3 | Principles of Commercial Banks 3.1 Liquidity, Profitability and Safety- Meaning & Concept. 3.2 Multiple Credit Creation-Process & Limitations. 3.3 Components of Balance Sheet of Commercial Banks | 12 |

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| 4 | <p>Operation & Types of Accounts</p> <p>4.1 Opening and operating of Deposit Account.</p> <p>4.2 Closure and Transfer of Accounts</p> <p>4.3 Types of Account Holders - Individual & Institutional</p> <p>4.4 No Frills Account, Escrow Account</p> | 12 |
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Second Term

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| 5 | <p>Negotiable Instruments</p> <p>5.1 Promissory Note, Bill of Exchange and Cheque - meaning, Definition & Characteristics</p> <p>5.2 Types of Cheque – Bearer, Order & Crossed</p> <p>5.3 Types of Crossing- General & Special</p> <p>5.4 Endorsement- Definition, Types & Effects</p> | 12 |
| 6 | <p>New Technology in Banking</p> <p>6.1 E-Banking – Need and Importance</p> <p>6.2 Meaning, concept and operation of -</p> <p style="padding-left: 20px;">6.2.1 Automated Teller machine- ATM</p> <p style="padding-left: 20px;">6.2.2 Credit Card</p> <p style="padding-left: 20px;">6.2.3 Debit Card</p> <p style="padding-left: 20px;">6.2.4 Tele Banking</p> <p style="padding-left: 20px;">6.2.5 Mobile Banking</p> <p style="padding-left: 20px;">6.2.6 Net Banking</p> <p style="padding-left: 20px;">6.2.7 Society for worldwide Interbank Financial Telecommunication</p> <p style="padding-left: 20px;">6.2.8 Core Banking</p> <p style="padding-left: 20px;">6.2.9 RTGS</p> | 12 |
| 7 | <p>Reserve Bank of India</p> <p>7.1 Functions</p> <p>7.2 Money Measures- M0, M1, M2, M3, M4</p> <p>7.3 Monetary policy- Meaning & objectives</p> | 12 |

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| | 7.4 Instruments of Credit Control | |
| 8 | Co- operative banking in India 8.1 Structure of Co-operative banking in India 8.2 97 th Constitutional Amendment in co-operative law 8.3 NABARD- objectives, Functions & working 8.4 Challenges before co-operative Banking | 12 |

BASIC READING LIST

- Day, A.C.L. (1960), Outline of Monetary Economics, Oxford University Press, Oxford.
- De Kock, M.H. (1960), Central Banking, Staples Press, London.
- Due, J.F. (1963), Government Finance, Irwin, Homewood.
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- Rajesh R., Sivaganasithi (2009), Banking Theory – Law & Practice, The Mc Graw – Hill Companies, New Delhi.
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University of Pune
S.Y.B.A. Economics Revised Syllabus
S-1, Micro Economics
From : June – 2014

Preamble

As a foundation course, in this Paper, student is expected to understand the behavior of an economic agent, namely, a consumer, a producer, a factor owner and the price fluctuation in a market. The chapter incorporated in this Paper deal with the nature and scope of economics, the theory of consumer behavior, analysis of production function and equilibrium of a producer, the price formation in different markets structures and the equilibrium of a firm and industry. In addition, the principles of factor pricing and commodity pricing as also the problems of investment and welfare economics have been included.

First Term

| Chapter No. | Title of the Chapter | Lectures |
|-------------|--|-----------|
| 1 | <p>Introduction</p> <p>1.1 Micro Economics – Meaning, Nature Scope, importance & limitations,.</p> <p>1.2 Basic Economic Problems.</p> <p>1.3 Tools of Economic Analysis – Functional relationships, Schedules, Graphs & Equations.</p> <p>1.4 Variable – Dependent and Independent variable- Exogenous & Endogenous.</p> | 10 |
| 2 | <p>Demand Analysis</p> <p>2.1 Utility – Meaning, Concept & Assumptions</p> <p>2.2 Cardinal Utility- Law of Diminishing Marginal Utility.</p> <p>2.3 Ordinal Utility – Indifference curve - Concept and Properties, Consumer Equilibrium</p> <p>2.4 Demand- concept & law</p> <p>2.5 Elasticity of Demand</p> <p style="padding-left: 20px;">2.5.1 Price Elasticity-Definition, Types, Determinants, Importance.</p> <p style="padding-left: 20px;">2.5.2 Income Elasticity - Types & Importance,</p> <p style="padding-left: 20px;">2.5.3 Cross Elasticity- concept</p> | 18 |

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| 3 | Supply Analysis 3.1 Meaning, Concept & Determinates. 3.2 Law of Supply. 3.3 Elasticity of Supply. | 08 |
| 4 | Theory of Production 4.1 Production function. 4.2 The law of Variable Proportions. 4.3 Law of returns to scale. 4.4 Revenue concept-Total, Average & Marginal Revenue. 4.5 Cost concepts: Fixed & Variable Cost, Opportunity cost, Average & Marginal cost, Total cost. | 12 |

Second Term

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| 5 | Market Structure 5.1 Meaning & Classification 5.2 Perfect Competition: Concept- Characteristics, price determination in short run and long run, equilibrium of the firm and industry 5.3 Monopoly- Concept, Characteristics and short and long run Equilibrium. Price discrimination 5.4 Monopolistic Competition : Concept, Characteristics, short & long run Equilibrium, Selling cost- concept 5.5 Oligopoly – Concept, Characteristics 5.6 Duopoly – Concept, Characteristics | 20 |
| 6 | Factor Pricing 6.1 The Marginal Productivity Theory of Distribution. 6.2 Rent – Ricardian Theory of Rent, Modern Theory of Rent, Quasi Rent 6.3 Wages –Modern Theory of Wages, Collective Bargaining , Supply curve of Labour | 20 |

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| | 6.4 Interest- Loanable Funds Theory , Keynesian Liquidity preference theory 6.5 Profit – Risk and Uncertainty Theory , Innovation Theory | |
| 7 | Welfare Economics 7.1 Definition and meaning 7.2 Social Welfare Function. 7.3 Pigovian Welfare Economics 7.4 Thought of Amartya Sen on Welfare Economics. | 08 |

Basic Reading List

- Bach. G.L. (1977), Economics, Prentice Hall of India, New Delhi.
- Gauld. J.P. and Edward P.L. (1996), Microeconomic Theory, Richard. Irwin, Homewood.
- Henderson J. and R.E. Quandt (1980), Microeconomic Theory : A Mathematical Approach, McGraw Hill, New Delhi.
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S-2, Macro Economics
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PREAMBLE

On account of the growing influence and involvement of the State in economic fields, macroeconomics has become a major area of economic analysis in terms of theoretical, empirical as well as policy-making issues. Macroeconomics has an extensive, substantive as well as methodological content. It deals with the functioning of the economy as a whole, the objective of the course is to familiarize the students the basic concept of Macro Economics and application. Macro economics has an extensive, substantive as well as methodological content. It deals with the functioning of the economy as a whole, including how the economy's total output of goods and services and employment of resources is determined and what causes these totals to fluctuate. The Paper entitled Macroeconomics is designed to make an undergraduate student aware of the basic theoretical framework underlying the field of macroeconomics.

First Term

| Chapter No. | Title of the Chapter | Lectures |
|--------------------|--|-----------------|
| 1 | Introduction 1.1 Meaning, Nature, Scope, Importance and Limitation of Macroeconomics 1.2 Difference between Micro and Macro Economics | 08 |
| 2 | National Income 2.1 Concepts: National Income, Gross National Product, Net National Product, Per Capita Income, Disposable Income. 2.2 Importance of National Income. 2.3 Methods of National Income Measurement 2.4 Difficulties in Measurement of National Income 2.5 Circular Flow of National Income | 14 |

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| 3 | Theory of Employment 3.1 Say's Law of Market 3.2 Classical Theory of Employment 3.3 Criticism by Keynes on Classical Theory 3.4 Keynesian Theory of Employment | 12 |
| 4 | Consumption and Investment 4.1 Meaning of Consumption Function 4.2 Average and Marginal Propensity to Consume 4.3 Psychological Law of Consumption 4.4 Factors influencing Consumption Function 4.5 Saving- concept & Function 4.6 Investment- Meaning & Types 4.7 Investment Multiplier- Concept and Limitations 4.8 Principle of Acceleration - Concept | 14 |

Second Term

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| 5 | Value of Money 5.1 Money- Definition and Functions 5.2 Quantity Theory of Money 5.3 Cash balance approach | 12 |
| 6 | Inflation and Deflation: 6.1 Inflation - Meaning and Causes 6.2 Demand Pull and Cost Push Inflation 6.3 Effects of Inflation 6.4 Measures to control Inflation 6.5 Deflation- Meaning, Causes and Consequences | 12 |
| 7 | Business Cycles 7.1 Meaning and Features of Business Cycle 7.2 Phases of Business Cycle 7.3 Causes and Effects of Business Cycle. 7.4 Control of Business Cycles- Monetary and Fiscal Controls | 12 |

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| 8 | <p>Macroeconomic Objectives and Policies</p> <p>8.1 Macroeconomic Objectives</p> <p>8.2 Monetary Policy- Meaning and Definitions, Instruments, Advantages and Limitations</p> <p>8.3 Fiscal Policy- Meaning and Definitions, Instruments and Advantages</p> | 12 |
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Basic Reading List

- Ackey, G (1976) Macro Economics Theory and Policy, Macmillan Publishing Company, New York
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ADDITIONAL READING LIST

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