

1604 - ECONOMICS FOR BUSINESS -II										
Teaching Schedule Per Week			Progressive Assessment		Examination Schedule (Marks)					
Lectures	Practical	Credits			Theory		Practical Ex.	Total		
4	-	4	25		3Hrs.	100		125		
Pre-requisite		Source	Semester	Theory	Test	Total	TW	PR	Gr Total	
1603		MOP		75	25	100	25	-	125	14

RATIONALE: The overall objective of the course in Business Economics I is to acquaint and equip students with the relevant tools and techniques of Economic Science. Emphasis is placed on applied aspects, which should assist students to appreciate and understand economic administration and management. The primary objectives are listed as under-

- To give a clear understanding that Business Economics is a science of business decision-making.
- To acquaint the learners with the tools and techniques of Economics and other allied disciplines, which are aids to decision making. To understand the different areas of decision-making and make in- depth study.
- To acquaint the learner with the mathematical / statistical techniques generally used in decision-making.
- To develop practical skills through tutorial- sessions to understand the business-problems

COURSE CONTENTS		Hrs	Mks
1. MEANING AND STRUCTURE OF FINANCIAL MARKET.		5	5
-Indian Money Market –Meaning: Components of Indian Money Market – Organised & Unorganised limitations, Role and Functions of Money Market.		5	12
2. BANKING			
- The Reserve Bank of India, the functions of the R.B.I. – Commercial Banking – Functions of Commercial Banks – Credit Creation by the Commercial Banks – R.B.I. Indices of Money supply – Recent Trends in Commercial Banking in India.		5	5
3. CAPITAL MARKETS.			
- Meaning – Components (Organised and Unorganised) – Limitations – Role and Functions.			

4. SOURCES OF INDUSTRIAL FINANCE	12	17
1. Industrial Development Bank of India (IDBI),		
2. Industrial Credit & Investment Corporation of India (ICICI),		
3. State Financial corporation of India, 4. LIC and UTI (only Functions)		
5. Small Industries Develop. Bank of India (SIDBI), 6. Investment and Mutual Funds,		
7. Leasing & Finance Companies		
5. SOURCES OF AGRICULTURAL FINANCE	6	12
Co-operative credit, The Land Development Banks. Regional Rural Banks.		
Agricultural Development branches of Commercial Banks.		
6. KEYNESIAN ECONOMICS	3	5
Brief introduction.		
7. FISCAL POLICY, BUDGET AND TAXATION		
Meaning of fiscal policy, Objectives, Fiscal Instruments, Functional Finance.	4	4
Meaning, Contents, Anatomy of Budgets (Control & State)	3	5
Deficit Budgets, Effect of Budget on economic & business variables.		
Source of Public Revenue., Main Features of Indian Tax System,	4	8
Brief Study of Tax Reforms in India.		
8. PUBLIC EXPENDITURE & PUBLIC DEBT		
Important items, Current Trends and Impact on economics & Business variables.	3	5
Growth of Public Debt in India., Role of Public Debt in Indian Economic	4	5
Development – servicing of Public Debt.		
9. THE WORLD BANK, IMF & OTHER AGENCIES		
The World Bank: Objectives, Functions.	2	4
International Monetary Fund: Objectives, Functions, International Liquidity, S.D.R.S.	2	4
The International Association: Objectives and Functions.	2	3
International Finance Corporation: Formation, Functions	2	3
Asian Development Bank: Formation, Objectives, Functions.	2	3
Total	64	100

All the questions should be short answer type without any subjective opinion or critical comments.
Sufficient internal choices should be provided.

REFERENCE BOOKS

1. Dewet, K.K. Indian Economy (S. CHAND)
2. K.P.S. Sundaram, Indian Economy, (S. CHAND)
3. Chonaghi & M. Anagol, Financial System of India, (HIMALAYA)
4. K.N. Baisya, Financial Adm. In India, (HIMALAYA)
5. R.M. Srivastava, Management of Indian Financial Institution, (HIMALAYA)
6. M.Y. Khan, Indian Financial System (VIKAS)
7. R.D. Gupta, International Liquidity (S. CHAND)
8. V.N. Balasubramaniam, The Economy of India. (UBS)
9. A.N. Agarwala, Indian Economy (VIKAS)
10. I.C. Dhingra, The Indian Economy (S. CHAND)
11. Kulkarni & Others, Money, Banking, Trade and Finance (S. CHAND)
12. L.K. Naidu, Bank Finance for Rural Development (ASHISH)
13. B.J. Moore, The Modern Economic Theory (PREPRESS)
14. Sidney Weintraud, Modern Economic Thought, (BASIL) UK
15. Stonier & Hague, A text book of Economic Theory (LONGMAN)