

***Revised Syllabus of Courses of B.Com. (Accounting and Finance)
Programme at Semester III
with Effect from the Academic Year 2017-2018***

3. Core Courses (CC)

Business Economics - II

Modules at a Glance

Sr. No.	Modules	No. of Lectures
1	Overview of Macroeconomics	10
2	Money, prices and Inflation	10
3	Introduction to Public Finance	10
4	Public revenue, Public Expenditure and Debt	20
5	Fiscal Management and Financial Administration	10
	Total	60

Sr. No.	Modules / Units
1	Overview of Macroeconomics
	<p>Macroeconomics: Meaning, Scope and Importance.</p> <p>Circular flow of aggregate income and expenditure and its Importance- closed and open economy models</p> <p>The Measurement of National Product: Meaning and Importance of National Income Accounting- conventional and Green GNP and NNP concepts -National Income and Economic Welfare.</p> <p>Trade Cycles: Features and Phases</p> <p>Classical Macro economics : Say's law of Markets - Features, Implications and Criticism</p>
2	Money, prices and Inflation
	<p>Money Supply: Determinants of Money Supply - Factors influencing Velocity of Circulation of Money</p> <p>Demand for Money : Classical and Keynesian approaches and Keynes' liquidity preference theory of interest - Friedman's restatement of Demand for money</p> <p>Money and prices : Quantity theory of money - Fisher's equation of exchange - Cambridge cash balance approach</p> <p>Inflation : Demand Pull Inflation and Cost Push Inflation - Effects of Inflation- Nature of inflation in a developing economy - policy measures to curb inflation- monetary policy and inflation targeting</p>
3	Introduction to Public Finance
	<p>Meaning and Scope of Public finance.</p> <p>Major fiscal functions : allocation function, distribution function & stabilization function</p> <p>Principle of Maximum Social Advantage: Dalton and Musgrave Views - the Principle in Practice, Limitations.</p> <p>Relation between Efficiency, Markets and Governments</p> <p>The concept of Public Goods and the role of Government</p>
4	Public revenue, Public Expenditure and Debt
	<p>Sources of Public Revenue : tax and non-tax revenues</p> <p>Objectives of taxation - Canons of taxation - Types of taxes : direct and indirect - Tax Base and Rates of taxation : proportional, progressive and regressive taxation</p> <p>Shifting of tax burden: Impact and incidence of taxation - Processes- factors influencing incidence of taxation</p> <p>Economic Effects of taxation: on Income and Wealth, Consumption, Savings, Investments and Production.</p> <p>Redistributive and Anti – Inflationary nature of taxation and their implications</p> <p>Public Expenditure: Canons - classification - economic effects of public spending - on production, consumption, distribution, employment and stabilization - Theories of Public Expenditure: Wagner's Hypothesis and Wiseman Peacock Hypothesis - Causes for Public Expenditure Growth.</p> <p>Significance of Public Expenditure: Social security contributions- Low Income Support and Social Insurance Programmes.</p> <p>Public Debt : Classification - Burden of Debt Finance : Internal and External- Public Debt and Fiscal Solvency</p>

5	Fiscal Management and Financial Administration
	<p>Fiscal Policy: Meaning, Objectives, constituents and Limitations.</p> <p>Contra cyclical Fiscal Policy and Discretionary Fiscal Policy : Principles of Sound and Functional Finance</p> <p>Budget- Meaning objectives and types - Structure of Union budget - Deficit concepts-Fiscal Responsibility and Budget Management Act.</p> <p>Intergovernmental Fiscal Relations : fiscal federalism and fiscal decentralization - central-state financial relations - 14th Finance Commission recommendations</p>