



(BCOM) (Business Studies) Semester (II)

Course Code	UB02 MICOM 01	Title of the Course	Business Economics-II (Money and Banking)
Total Credits of the Course	04	Hours per Week	04

Course Objectives:	This course exposes the students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.
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Course Content		
Unit	Description 2023-24	Weightage* (%)
1.	Money: ❌ Concept, Definition, Functions and Classification of Money. ❌ Components of Money Supply – (M ₁ , M ₂ , M ₃ & M ₄). ❌ Quantity Theory of Money ; (QTM) (A) Fisher's Transaction Theory. (B) Milton Friedman's Restatement of QTM.	25%
2.	Value of Money : ❌ Measurement of Value of Money: Index number meaning, characteristics, usefulness and limitations of index number. ❌ Inflation: Definition, Types of Inflation according to intensity. ❌ Causes of inflation- Cost Push and Demand Pull. ❌ Effects and Remedies of Inflation. ❌ A Model Business Cycle. ❌ Concept of Deflation and Stagflation.	25%
3.	Banking & Digital Currency: ❌ Commercial Bank: Definition, Functions of Commercial Bank, Process of Credit Creation. ❌ Central Bank: Functions, Instruments of Monetary Policy. ❌ Digital Payments: Meaning, methods and advantages and disadvantages. ❌ Digital Currency: Meaning, types, features and advantages and disadvantages	25%
4.	Keynesian Economic Theories: ❌ Principle of Effective Demand, ❌ Propensity to consume, Keynes Psychological Law of Consumption Function, Factors determining Consumption Function, ❌ Working and Leakages of Investment Multiplier, ❌ Liquidity Preference Theory of Interest Rate.	25%



Teaching-Learning Methodology	Class room teaching, power point presentation, diagrams, assignments,
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Evaluation Pattern		
Sr.No.	Details of the Evaluation	Weightage
1.	Internal Written / Practical Examination (As per CBCS R.6.8.3)	15%
2.	Internal Continuous Assessment in the form of Practical, Viva-voce, Quizzes, Seminars, Assignments, Attendance (As per CBCS R.6.8.3)	15%
3.	University Examination	70%

Course Outcomes: Having completed this course, the learner will be able to	
1.	<ul style="list-style-type: none"> Understand the theoretical basis for the origin and essence of money, money circulation, mechanisms of money creation and laws governing. Understanding the functioning of the money market and monetary aggregates; practical skills of assessing specific forms and instruments of money.
2.	<ul style="list-style-type: none"> Through Index numbers students can learn how to interpret data and make informed decisions based on the information provided. Learner can use index numbers in business decision making and financial analysis. Inflation provides students with a comprehensive understanding of economic phenomenon and its impact on the economy. Model business cycle helps students to understand the fluctuations in the economy, predicting economic trends, identifying potential risks and opportunities, developing macroeconomic policies and evaluating the effectiveness of economic policies.
3.	<ul style="list-style-type: none"> Theoretical concept of monetary policy; the role and objectives of monetary policy and the instruments for its implementation; History and present state of the monetary system. Forms and methods of implementation of anti-crisis monetary in the leading countries of an economy. Analyze the theoretical basis and practical implementation of monetary policy, the adequacy of the current state of the economy and finances of the country and the challenges of development of state and society based upon the changes in monetary policy.
4.	<ul style="list-style-type: none"> By studying this principle, students can learn about the basic tenets of Keynesian economics and how it differs from other schools of economic thought. Students will also learn the role of consumer behavior in the economy, analyzing the relationship between income and consumption, developing critical thinking skills and applying economic concepts to real world scenarios. Understanding the role of government in economic policy and management. Liquidity Preference theory can help students develop a more nuanced understanding of the complex relationships between interest rates, money supply and the broader economy.



Suggested References:

Sr. No.	References
1.	Advanced Economic Theory- Dr.H.L AHUJA
2.	Theory of Money- M C Vaish
3.	Money,Banking,Public Finance and International Trade-D M Mithani
4.	Money,Banking,Public Finance and International Trade- M L Jhingan

On-line resources to be used if available as reference material

On-line Resources:

<https://www.economicdiscussion.net/>

<https://epgp.inflibnet.ac.in/Home/ViewSubject?catid=JVkwqv+HM+natE9SiF7CZA>

www.investopedia.com.> Economy>Economics

www.econlib.org

