

SARDAR PATEL UNIVERSITY
B.Com. Semester: II
Syllabus with Effect From: November/December-2019

Paper Code: UB02GCOM51	Total Credit: 3
Title Of Paper: Economics – II (Monetary Economics)	

Objective: This course exposes 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.

Unit	Description of Detail	Weighting(%)
I	Money: ➤ Concept, Definition, Functions and Classification of Money ➤ Value of Money ➤ Quantity Theory of Money- Fisher's Transaction Theory Milton Friedman's Restatement of QTM	25%
II	Value of Money ➤ Measurement of Value of Money: Index number, 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. ➤ A Model Business Cycle	25%
III	Banking: ➤ Definition, Functions of Commercial Bank ➤ Credit Creation Process ➤ Central Bank: Functions, Instruments of Monetary Policy	25%
IV	Income and Employment ➤ J.B.Say's Law of Market ➤ Keynesian Theory of Income and Employment ➤ Concept of Investment Multiplier, Accelerator, Principle of Effective Demand ➤ Liquidity Preference Theory	25%

Basic Text & Reference Books:-

- Modern Economic Theory – H.L.Ahuja
- Theory of Money – M.C.Vaish
- Money, Banking, Public Finance and International Trade- D.M. Mithani