



**SARDAR PATEL UNIVERSITY**  
**Vallabh Vidyanagar, Gujarat**  
**(Reaccredited with 'A' Grade by NAAC (CGPA 3.25)**  
**Syllabus with effect from the Academic Year 2021-2022**

(BCOM) (Business Studies) Semester (II)

Course Code	UB02GCOM71	Title of the Course	Economics-II Monetary Economics
Total Credits of the Course	03	Hours per Week	03

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	Weightage* (%)
1.	<b>Money</b> <ul style="list-style-type: none"><li>◆ Concept, Definition, Functions and Classification of Money</li><li>◆ Value of Money</li><li>◆ Quantity theory of Money: Fisher' Transaction theory of money Milton Friedman's Restatement of QTM</li></ul>	25%
2.	<b>Value of Money</b> <ul style="list-style-type: none"><li>◆ Measurement of Value of Money: Index number, usefulness and limitations of Index number</li><li>◆ Inflation: Definition, Types of Inflation according to intensity, Causes of inflation-Cost Push and Demand Pull, Effects and Remedies.</li><li>◆ Instruments of Monetary Policy</li></ul>	25%
3.	<b>Income and Employment</b> <ul style="list-style-type: none"><li>◆ J.B. Say's Law of Market</li><li>◆ Keynesian theory of Income and Employment</li><li>◆ Concept of Investment Multiplier, Accelerator, Principle of Effective Demand</li><li>◆ Liquidity Preference Theory of Rate of Interest</li></ul>	25%
4.	<b>Applied Economics</b> <ul style="list-style-type: none"><li>◆ Sampling, Objectives, Kinds of Sampling, Significance of Sampling,</li><li>◆ F test, T Test</li><li>◆ Hypothesis- Kinds of Hypothesis Testing, Significance of</li></ul>	25%



	<p>Hypothetical Testing</p> <ul style="list-style-type: none"> <li>◆ Computamption of Price Index Number, Objectives, steps, limitations</li> </ul>	
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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"> <li>• Understand the theoretical basis for the origin and essence of money, money circulation, monetary policy, mechanisms of money creation and laws governing the functioning of the money market and monetary aggregates; practical skills of assessing specific forms and instruments of monetary policy.</li> </ul>
2.	<ul style="list-style-type: none"> <li>• theoretical concept of monetary policy; the role and objectives of monetary policy and the instruments for its implementation;</li> <li>• history and present state of the monetary system of the Russian Federation;</li> <li>• forms and methods of implementation of anti-crisis monetary in the leading countries of the market economy.</li> </ul>
3.	<ul style="list-style-type: none"> <li>• analyze the theoretical basis and practical implementation of monetary and fiscal policy, the adequacy of the current state of the economy and finances of the country and the challenges of development of state and society; assess the effectiveness of implemented monetary and exchange rate policies, including international Benchmarking. Analyze the data of the country's balance of payments;</li> <li>• navigate the legislative and normative acts regulating the circulation of money and the use of instruments in their work; analyze the proposals of the experts, legislators, government and the central bank with respect to monetary policy</li> <li>• predict the possible consequences of their implementation.</li> </ul>
4	<ul style="list-style-type: none"> <li>• make survey methodology, <b>sampling</b> is the selection of a subset (a statistical <b>sample</b>) of individuals from within a statistical population to estimate characteristics of the</li> </ul>



	<p>whole population. ... <b>Results</b> from probability theory and statistical theory are employed to guide the practice.</p> <ul style="list-style-type: none"> <li>• perform time a statistical <b>test</b>, depending on whether the null <b>hypothesis</b> is true and whether the statistical procedure rejects the null <b>hypothesis</b> the procedure rejects a true null <b>hypothesis</b> (i.e. a false positive); the procedure fails to reject a true null <b>hypothesis</b></li> <li>• Understand the price index Number.</li> </ul>
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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	Mathematics and Statistics for economics- G S Monga

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

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