



**C.U.SHAH UNIVERSITY**  
**VBt's Institute of Commerce,**  
**Wadhwan city**  
**W.e.f.- June 2017**

**FACULTY OF: - COMMERCE**  
**DEPARTMENT OF: - Bachelor of Commerce (B.Com)**  
**SEMESTER: - III**  
**CODE: - 4CO03MEC1**  
**NAME: – Macro Economics-I**

**Teaching & Evaluation Scheme:-**

Sr. No	Subject Code	Name of the Subject	Teaching Hours / Week				Credits	Evaluation Scheme							
			Th	Tu	Pr	Total		Theory				Practical			Total Marks
								Sessional Exam		University Exam		Internal		University	
								Marks	Hr/s	Marks	Hr/s	Pr / Viva	TW	Pr	
1	4CO03MEC1	Macro Economics-I	3	--	--	3	3	30	1 1/2	70	3	--	--	--	100

**Objectives:**

This syllabus aims at making students aware of functioning of monetary theories, prevailing banking system in India and macro level stability.

**Course Outline :**

Unit	Content	No. of Hours
1	<p><b>MONEY:</b></p> <ul style="list-style-type: none"> <li>- Functions of money</li> <li>- Different components of money</li> <li>- Meaning of each component and it's changing relating significance</li> </ul> <p><b>THEORIES OF VALUE OF MONEY – QUANTITY THEORY OF MONEY:</b></p> <ul style="list-style-type: none"> <li>- Definitions and clarification of quantity theory of money.</li> <li>- Assumptions – conditions.</li> <li>- Characteristics of quantity theory of money.</li> <li>- Clarification of quantity theory of money with the help of Equation.</li> <li>(i) Fisher's equation</li> <li>(ii) Cambridge equation</li> </ul>	12

2	<b>INDIAN BANKING SYSTEM:</b> - Definition of Bank and types of bank - Commercial Banks: Importance and Functions (with reference to core banking). - Nationalized Banks with reference to non-performing assets. - Credit creation process of Banks. - Reserve <b>Bank of India</b> -Functions -Instruments of credit control. (Control by RBI) -(A) Repo rate (B) Reverse Repo Rate, (C) SLR	13
3	<b>KEYNESIAN THEORY -1:</b> - Aggregate Demand meaning, determining factor of aggregate demand - Consumption function Consumption expenditure, determining factor, Consumption function, Average propensity to consume and saving, Marginal propensity to consume to saving	09
4	<b>KEYNESIAN THEORY -2:</b> - Marginal efficiency of capital - Meaning, Factors affecting to Marginal efficiency of capital, Relationship between Marginal efficiency of capital and rate of interest. - Employment theory -Concept of Multiplier - Employment theory of Keynes	11
<b>Total Hours</b>		45

**Learning Outcomes :-**

**Theoretical Outcome:-** Students can learn Theoretical aspect of Economics

**Teaching and Learning methodology:-** The following pedagogical tools will be Used to teach this course:

- (A) Lectures
- (B) Case discussions
- (C) Assignments / Class participation / Quiz etc.

**Reference Books:**

1. An Outline of Money - G. Crowther
2. Money - D. H. Robertson
3. Economics of Money and Banking - G. N. Halm
4. Economics - F. Benham
5. Modern Banking - R. S. Sayers
6. Central Banking - De Cocke
7. The Economics of Money and Banking - Chandler