**SY BCOM SEM 3**

**PRINCIPLES OF MACRO ECONOMICS 1**

**SYLLABUS.**

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| **Unit** | **Content** | **No. of Lectures** |
| 1 | **MONEY AND THEORIES OF VALUE OF MONEY:**   * Functions of money. * Different components of money. * Meaning of each component and it’s changing relating significance. * Definitions and clarification of quantity theory of money. * Assumptions, conditions. * Characteristics of quantity theory of money. * Clarification of quantity theory of money with the help of equation   1. Fisher’s equation   2. Cambridge equation | **12** |
| 2 | **INDIAN BANKING SYSTEM AND RESERVE BANK OF INDIA:**   * Definition of bank and types of bank * Commercial Banks: importance and functions (with reference to core banking). * Credit creation process of banks. * Functions of RBI * Instruments of credit control(Control by RBI)   1. Repo rate (B) Reverse Repo Rate (C) SLR | **11** |
| 3 | **KEYNESIAN THEORY-1:**   * 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 and saving. | **11** |

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| 4 | **KEYNESIAN THEORY-2:**   * Marginal efficiency of capital * Meaning , factors affecting to marginal efficiency of capital * Concept of Multiplier * Employment theory of Keynes | **11** |
| **Total Lectures** | | **45** |

**SUGGESTED READINGS AND 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. Bemham
5. Modern Banking – R. S. Sayers
6. Central Banking – De Cocke
7. The Economics of Money and Banking – Chandler
8. Monetary Theory – M. C. Vaish
9. Money Market Operations in India – Sengupta & Agrawal
10. Monetary Planning in India – S. B. Gupta
11. Reserve Bank of India – Functions and Working
12. Indian Financial System – H. R. Machhirajo
13. Indian Financial Policy – S. S. Tarapor
14. Financial Markets – Robinson & Rightsman

#### Note: Latest edition of the reference books should be used.