

SD COLLEGE HOSHIARPUR

LECTURE PLAN FOR THE SESSION 2021-2022

<b>Class</b>	<b>B.COM (SEMESTER- II)</b>
Subject Name and Code	Business Economics, BCM-204
Max. Marks and duration of exam.	100 (Theory:80, Internal Assessment:20) and 3 hours
Duration of lecture	45 minutes per day
No. of lectures delivered per week	6 lectures
Submitted by	Dr. Palwinder Kaur, Department of Economics

**COURSE OBJECTIVE:**

**Objective:** The paper aims at providing the knowledge of basic concepts of the distribution and modern tools of macro-economic analysis.

**UNIT-I**

<b>Topic</b>	<b>Teaching Points</b>	<b>Specific Objectives</b>	<b>Methods, Approaches and Techniques</b>	<b>Resources &amp; Reference Books:</b>
Wages	<ul style="list-style-type: none"> <li>• Meaning and types of wages</li> <li>• Marginal Productivity Theory of Wages</li> <li>• Modern Theory of Wages</li> </ul>	To make the students understand how are wages determined in the labour market	Classroom teaching by lecture method, using blackboard	1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi  2. Eugene Diulio Macro economics, 4 <sup>th</sup> Edition, Tata McGraw Hills,

			Class Test Assignment	<p>Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley, G. Macroeconomics: Theory and Policy, Macmillan, New York</p>
Rent	<ul style="list-style-type: none"> <li>• Meaning and types of rent</li> <li>• Ricardian Theory of Rent</li> <li>• Modern Theory of Rent</li> <li>• The concept of Quasi- Rent</li> </ul>	The students will learn the determination of share of land in the form of rent. They will be able to understand that rent does not arise for the land only.	Classroom teaching by lecture method, using blackboard  Class Test Assignment	<p>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</p> <p>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills</p>

				<p>Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley,G. Macroeconomics: Theory and Policy, Macmillan, New York</p>
Interest	<ul style="list-style-type: none"> <li>• Meaning and Types</li> <li>• Classical Theory of Interest</li> <li>• Neo-Classical Theory of Interest</li> <li>• Liquidity Preference Theory of Interest</li> </ul>	<p>The students will know how interest is determined in money market through the demand and supply forces. Additionally, they will learn for which purposes people prefer liquidity.</p>	<p>Class room teaching with examples.</p> <p>Class Test</p> <p>PPT</p>	<p>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</p> <p>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley,G. Macroeconomics: Theory and Policy, Macmillan, New York</p>

Profits	<ul style="list-style-type: none"> <li>• Nature and types of profit</li> <li>• Dynamic Theory of Profits</li> <li>• Innovation Theory of Profits Risks</li> <li>• Bearing Theory of Profit</li> <li>• Uncertainty Bearing Theory of Profits.</li> </ul>	The student will learn various types of profit theory and will be able to differentiate among them.	Class room teaching with examples.	<ol style="list-style-type: none"> <li>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</li> <li>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</li> <li>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</li> <li>4. Ackley,G. Macroeconomics: Theory and Policy, Macmillan, New York</li> </ol>

### **Short Answer type Questions**

- Differentiate real wages and nominal wages.
- Explain Quasi rent
- What is uncertainty bearing theory of profits?
- Explain Ricardian theory of rent.
- What is marginal productivity of labour?
- Explain loan able funds theory of interest.

### **Long Answer type Questions**

- Give a detailed account of Marginal Productivity Theory of Wages.
- Discuss Modern Theory of Wages. How it differs from Marginal Productivity Theory of Wages?
- Critically examine Ricardian Theory of Rent.
- Critically evaluate Liquidity Preference Theory of Interest.
- Explain various theories of profits in detail.
- Write a short note on:

Quasi rent

Classical theory of interest

Loanable funds theory of interest

## UNIT-II

Topic	Teaching Points	Specific Objectives	Methods, Approaches and Techniques	Resources & Reference Books:
Say's Law of Market	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Working of the law in barter and monetary economy</li> <li>• Implications</li> <li>• Importance of the law</li> </ul>	To enable the students to understand the importance of Say's Law of Market in contemporary economies	Class room teaching with examples.  Class Test  PPT	<ol style="list-style-type: none"> <li>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</li> <li>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</li> <li>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</li> <li>4. Ackley,G. Macroeconomics: Theory and Policy, Macmillan, New York</li> </ol>

<p>Classical Theory of Income Output and Employment</p>	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Determination of income, output and employment</li> <li>• Implications</li> <li>• Importance of the law</li> </ul>	<p>The students will learn determination of income, output and employment in a capitalist economy under classical viewpoints.</p>	<p>Lecture method of classroom teaching</p>	<ol style="list-style-type: none"> <li>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</li> <li>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</li> <li>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</li> <li>4. Ackley,G. Macroeconomics: Theory and Policy, Macmillan, New York</li> </ol>
<p>Keynesian Theory of Employment</p>	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Determination of income, output and employment</li> <li>• Implications</li> </ul>	<p>The students will learn determination of income, output and employment in a capitalist economy under</p>	<p>Class room teaching with examples</p> <p>Class Test</p>	<ol style="list-style-type: none"> <li>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</li> <li>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition,</li> </ol>

	<ul style="list-style-type: none"> <li>• Practical and theoretical Importance of the law</li> </ul>	Keynesian viewpoint.		<p>Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley, G. Macroeconomics: Theory and Policy, Macmillan, New York</p>
Effective Demand	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Determination</li> <li>• Importance</li> </ul>	To acquaint the students with the relevance of interaction of AD and AS to reach out effective demand	Class room teaching with examples	<p>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</p> <p>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition,</p>



				<p>Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley, G. Macroeconomics: Theory and Policy, Macmillan, New York</p>
Consumption Function	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Factors Influencing Consumption Function</li> <li>• Average and Marginal Propensities to Consume</li> <li>• Propensity to Save</li> <li>• Psychological Law of Consumption</li> <li>• Importance Psychological Law of Consumption</li> </ul>	<p>These topics will enhance the learning level of students on functional relationship of income and consumption in short-run and long-run</p>	<p>Class room teaching with examples</p> <p>General Discussion</p>	<p>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</p> <p>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley, G. Macroeconomics: Theory and Policy,</p>

				Macmillan, New York
Investment	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Types</li> <li>• Factors Affecting Investment</li> <li>• Importance of Investment</li> <li>Measures to Raise Private Investment.</li> </ul>	The students will know the pro-active role of investment and the factors that affect investment	<p>Class room teaching with examples</p> <p>Group Discussions</p> <p>Video Lecture</p>	<p>1. Shapiro. E Macroeconomic analysis Galotia publications, New Delhi</p> <p>2. Eugene Diulio Macro economics, 4<sup>th</sup> Edition, Tata McGraw Hills, Publishing Col. Ltd, New Delhi.</p> <p>3. Dornbusch R, Fisher, S and Startz, R Macro Economics, 8<sup>th</sup> Edition, Tata McGraw Hills Publishing Co. Ltd., New Delhi.</p> <p>4. Ackley, G. Macroeconomics: Theory and Policy, Macmillan, New York</p>
Multiplier	<ul style="list-style-type: none"> <li>• Meaning</li> <li>• Keynesian Income or Investment</li> </ul>	The students will be able to understand the role of change in investment in	Presentation by the students	

	<p>Multiplier</p> <ul style="list-style-type: none"> <li>• Leakages</li> <li>• Uses</li> <li>• Limitations of Multiplier</li> <li>• Multiplier and Under-Developed Countries</li> </ul>	<p>changing the level of income. They will learn that due to initial increase in investment income increases by more times the increase in investment.</p>		
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### Short Answer type Questions

- Discuss classical theory of output and employment.
- What is laissez-faire policy?
- Explain Say's law of markets.
- How is equilibrium established under AD-AS approach?
- What is full employment?
- Discuss the concept of effective demand.

### Long Answer type Questions

- Critically explain Classical theory of output and employment determination.
- Explain in detail Keynesian theory of output and employment determination.
- Explain in detail psychological law of consumption.
- Explain static and dynamic concepts of multiplier.
- Discuss the forward and backward working of multiplier.
- What do you mean by investment? Explain the factors affecting investment.

