

**DR. BABASAHEB AMBEDKAR
MARATHWADA UNIVERSITY,
AURANGABAD.**



Revised Syllabus of

B.A. 1ST YEAR

ECONOMICS

SEMESTER-I & II

Dr. Khande v.B.
18.2.13

Chairman of B.A.S.

Dr. D.B. M...
B.O.S.

[Effective from 2013-14 & onwards]

Shivaji Art's, commerce & Science College Kannad

F.Y.B.A. Economics

(Revised Syllabus)

Semester – II

Total Marks: 50

Price Theory (COMPULSORY) Paper–ECO-103

OBJECTIVE:

The purpose of this paper on price theory at the B. A. level is to enable students to have an understanding of the various components regarding price determination under various types of markets. Units incorporated in this paper would enable the students to know about the theory of production, Cost and revenue analysis, forms of market and factor pricing theories.

Unit I: Theory of Production:

- 1.1 Meaning of production. Concept of Production Function,
- 1.2 The law of Variable Proportions,
- 1.3 Law of returns & returns to Scale. Internal and External Economies & Diseconomies.
- 1.4 Isoquant Curve, Properties of Isoquant curves.
- 1.5 Isocost Line, Production Possibility Curve.

Unit II: Analysis of Costs and Revenue:

- 2.1 Concepts of Costs- Fixed and variable Costs, Opportunity cost, Average and Marginal Cost.
- 2.2 Short run and Long run cost curves.
- 2.3 Modern Approach related to Short run and Long run cost curves.
- 2.4 Relation between Marginal Cost, Average Cost and Total Cost.
- 2.5 Revenue concepts: Total Revenue, Average & Marginal Revenue.
- 2.6 Equilibrium of the Firm – Short run and Long run.

Unit III: Market

- 3.1 Meaning & classification
- 3.2 Perfect Competition: concept - Characteristics, price determination in short and long run, Equilibrium of the firm and industry.
- 3.3 Monopoly- Concept, Characteristics and short and long run Equilibrium, price determination, Price discrimination.
- 3.4 Monopolistic Competition: concept, Characteristics and short & long run Equilibrium of Firm, Group Equilibrium, Selling cost.

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- 3.5 Oligopoly – Concept, Characteristics
- 3.6 Duopoly: - Concept & Characteristics.

Unit IV: Factor Pricing.

- 4.1 Marginal Productivity theory of Distribution.
- 4.2 Rent – Concept -Ricardian Theory of Rent, Modern Theory of Rent, Quasi Rent..
- 4.3 Wages – Concept, Types – Modern theory of wages, wage differentials and Collective Bargaining.
- 4.4 Interest –Concept, Loanable funds theory and Keynes's Liquidity preference theory.
- 4.5 Profit – Concept, Risk and uncertainty theory and Innovation theory.

Unit V: Pricing Methods:

- 5.1 Pricing Methods: Marginal Cost Pricing - Full Cost Pricing - Multi product pricing
– Limit Pricing.
- 5.2 Bain's Model.

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MONEY BANKING AND FINANCE (COMPULSORY) Paper– ECO-104

OBJECTIVE:

Money and banking constitutes important components of modern economy. A clear understanding of the operations of money and banking and their interaction with the rest of the economy is essential to realize how monetary forces operate. The paper on money and banking is essential for students to understand the monetary and banking system in India.

Unit – I: Meaning & Function of Money:

- 1.1 Meaning, Definition and Functions.
- 1.2 Types of Money.
- 1.3 Paper currency and kinds of Paper currency.
- 1.4 Methods of Note Issue – Principles of note issue and Paper Currency Standards.
- 1.5 Gresham's Law.

Unit – II: Banking in India:

- 2.1 Meaning and Definitions of Bank.
- 2.2 Banking Structure in India.
- 2.3 Commercial Banking – Functions, Credit Creation – process, purpose and limitations, Principles of Commercial Banks - Liquidity, Profitability and Safety.
- 2.4 Functions of Foreign Banks, Regional Rural Banks, District Central Cooperative Banks, Primary Agricultural Cooperative Credit Societies, State Cooperative Banks and NABARD.
- 2.5 New Concepts in Banking – Core banking, ATM, Credit Card, E-banking and Internet banking.

Unit – III: Reserve Bank of India:

- 3.1 Meaning and Functions of Reserve Bank of India.

- 3.2 Money measures – M1, M2, M3, & M4.

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- 3.3 Organization and Management of R.B.I.

- 3.4 Monetary Policy – Meaning, Objectives

- 3.5 Methods of Credit Control – Qualitative and Quantitative.

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Unit – IV: Money Market Capital Market in India:

- 4.1 Meaning, Structure and Functions.

- 4.2 Components of Money Market, Role of the Money Market,-Money Market Reforms in India.

- 4.3 Capital Market – Meaning, Nature and functions of Indian Capital Market.

- 4.4 Stock Market – Meaning and functions of stock Market.

- 4.5 Functions of Securities Exchanges Board of India (SEBI).