AC – 28/03/2025
Item No. – 7.9 (N) (1ab)

As Per NEP 2020

University of Mumbai

Syllabus for Minor Vertical 2		
Name of the Programme – B.Com. (Business Economics)		
Faulty of Commerce & Management		
Board of Studies in Business Economics		
Second Year Programme in Minor (Business Economics)		
Semester	III & IV	
Title of Paper	Sem.	Total Credits 4
Fundamentals of Money & Banking	III	4
Title of Paper		Credits
Public Finance	IV	4
From the Academic Year		2025-26

Sem. - III

Syllabus
B.Com. (Business Economics)
(Sem.- III)

Title of Paper: Fundamentals of Money & Banking

Sr. No.	Heading	Particulars
1	**Description the course:** **Including but Not limited to:**	This introductory course on Indian money and banking covers the functions and types of money, along with classical, neo-classical, and Keynesian motives for demand. It explores the money supply process in India, including monetary aggregates and the banking system, as well as recent reforms. The course also highlights the impact of technology on financial inclusion and reviews government initiatives to promote it.
2	**Vertical :**	Minor
3	**Type :**	Theory
4	**Credit**:	4 credits (1 credit = 15 Hours for Theory
5	**Hours Allotted :**	60 Hours
6	**Marks Allotted**:	100 Marks
7	**Course Objectives**: By the end of this course, students will be able to: - 1. To make the learner understand the basics of money as an instrument, theoretical understanding of reasons for demand for money. 2. To enable students to understand the basics of money supply and the role of monetary authorities in regulating money supply in the economy. 3. To introduce the banking system and its evolution in India. 4. To make the learner understand the technological changes in the banking industry and efforts for financial inclusion through new banking technology and Government Initiatives.	

8	**Course Outcomes**: By the end of this course, students will be able to: - 1. The learners will be able to analyze the various functions of money in facilitating trade and economic activities. 2. The students will critically evaluate a theoretical aspect of demand for money and supply of money and its relevance in modern times. 3. The learner will be able to understand the basics of monetary policy, its instruments, and its importance to the economy. 4. The learners will understand the basic concept of banking, its types, and recent banking sector reforms 5. The students will realize the changing dynamics of the banking industry through technical progress in the operational technology and its significance for financial inclusion.

9	**Syllabus**
	Module 1: Money and Demand for Money (15 hours)
	• Money: Definition, Classification, and Functions of Money • Pre-Keynesian Theories: Classical and Neo-Classical Demand for Money • Modern Theories: Keynesian Demand for Money and Post Keynesian Developments.
	Module 2: Supply of Money and Monetary Policy (15 hours)
	• Money Supply: Rationale and Sources of Money Supply • Measurement of Money Supply: Revised Aggregates and Liquidity Aggregates • Money Multiplier; Velocity of Circulation of Money; Monetary Policy: Meaning and Objectives; Instruments of Monetary Supply; Monetary Policy Framework Agreement and Monetary Policy Committee.
	Module 3: **Banking Industry (15 hours)**
	• Introduction to Banking- Lending Principle and Credit Creation and Balance Sheet of a Banks • Evolution of Banking System in India, Structure of Banking System in India-Commercial Banking – Function and significance, Retail Banking – Functions and significance & Corporate Banking -Rural Banking • Applicability of KYC norms in Banking -Issues and Challenges of Banking Industry Banking sector reforms - 4R Framework - Basel Norms.
	Module 4: Technological Innovation and Financial Inclusion (15 hours)
	• Technology Trends in Banking – Digital Rupee, Fintech, Social Media Banking, Account Aggregators, Open Banking- • Changes in Operational Technology in the Banking Industry – Core banking Solution -Financial Inclusion by Extension of Banking Services, Use of Mobiles/Tablets in Financial Inclusion Drive, Financial Literacy – Cyber Threats and Awareness Drives in Banking Operations • Government Initiatives for Financial Inclusion – Priority Sector Advances- Pradhan Mantri Jandhan Yojan, Features and Challenges, Pradhan Mantri Mudra Yojana (PMMY), Stand Up India Scheme- Microfinance Institutions in India, Advantages, Purpose, Limitations and Models of SHG – Bank Linkage Program.

11	**References:**

- Annual Report; Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework
- Digital Banking Indian Institute of Banking and Finance, Taxmann Publication 2024 Edition.
- Dua, P., "Monetary Policy Framework in India", Indian Economic Review, Vol. 55, Issue 1, June 2020
- F S Mishkin, The Economics of Money, Banking, and Financial Markets, Prentice Hall, 2007
- Frei C (2023) Open banking: opportunities and risks. In: The Fintech disruption: how financial innovation is transforming the banking industry, pp 167–189
- Ghate, C., & Kletzer, K. M. (Eds.). (2016). Monetary policy in India: A modern macroeconomic perspective. Springer.
- Hajela, T.N., (2009) Money and Banking, Ane Books Pvt Ltd., New Delhi.
- K.C. Sekhar: Banking – Theory and Practice, Vikas Publishing House, New Delhi (recent edition).
- L M Bhole and Jitendra Mahakud, Financial Institutions and Markets, TataMcGrawHill, 2009.
- M.L. Seth, Monetary Economics, Vikas Publications, New Delhi
- M.R. Baye, D.W. Jansen (1996), Money, Banking and Financial Markets, AITBS (Indian ed.)
- N Jadhav: Monetary Policy, Financial Stability and Central Banking in India Macmillan
- R.R. Paul, Money, Banking & International Trade, Kalyani Publications, Ludhiana
- Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998
- RBI Bulletin; Report of Currency and Finance (latest).
- S.B. Gupta, Monetary Economics, S. Chand Publications, New Delhi.
- Shah, M., & Clarke, S. (2009). E-Banking Management: Issues, Solutions, and Strategies. Information ScienceReference (1st ed.). https://doi.org/10.4018/978-1-60566-252-7
- Sundharam KPM, Banking: Theory, Law and Practice, Sultan Chand and Sons, New Delhi (recent edition)

Y .Carrière-Swallow, V. Haksar and M. Patnam (2021)“India’s Approach to Open Banking:Some Implications for Financial Inclusion “IMF Working Paper WP/21/52

11 **Internal Continuous Assessment: 40% (40 Marks)**

Continuous Evaluation Pattern		
1.	Class Test based on objectives on-line/offline	20 marks
2.	Assignment / Project / Presentation	20 marks
3.	Book review / Newspaper review (in any language) / Case Study writing	20 marks
	Take any Two of the above (from 1, 2 and 3)	**40 Marks**

12

External, Semester End Examination 60% (60 Marks)
Individual Passing in Internal and External Examination

Format of Question Paper

Semester End Examination Question Paper Pattern

Time: 2 Hour Max. Marks:60

Note:

- All questions are compulsory
- Each question has internal options
- Figure to the right indicate full marks.

Q1	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		
Q2	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		
Q3	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		
Q4	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		

Sem. - IV

Syllabus
B.Com. (Business Economics)
(Sem.- IV)

Title of Paper: Public Finance

<table>
<tr><th>Sr. No.</th><th>Heading</th><th>Particulars</th></tr>
<tr><td>1</td><td>Description the course:

Including but Not limited to:</td><td>Public Finance is a vital discipline in economics that examines the role of government in the economy. This course introduces students to key fiscal functions, including allocation, distribution, and stabilization. It covers taxation, public expenditure, debt management, and fiscal policy, offering insights into government budgeting and intergovernmental financial relations. Relevant to policy-making, banking, and financial services, this course connects with macroeconomics and public policy, preparing students for careers in government, finance, and economic consultancy.</td></tr>
<tr><td>2</td><td>Vertical :</td><td>Minor</td></tr>
<tr><td>3</td><td>Type :</td><td>Theory</td></tr>
<tr><td>4</td><td>Credit:</td><td>4 credits (1 credit = 15 Hours for Theory</td></tr>
<tr><td>5</td><td>Hours Allotted :</td><td>60 Hours</td></tr>
<tr><td>6</td><td>Marks Allotted:</td><td>100 Marks</td></tr>
<tr><td>7</td><td colspan="2">Course Objectives: By the end of this course, students will be able to: -
1. To understand the learners with the various concepts related to public finance
2. To make the learners able to understand the sources of public revenue
3. To make the learners understand the tools of fiscal policy.
4. To equip the learners with government budget and Intergovernmental Fiscal Relations
5. To make the learners understand the classification of public debt</td></tr>
<tr><td>8</td><td colspan="2">Course Outcomes: By the end of this course, students will be able to: -
1. Evaluate the effects of taxation and public expenditure
2. Evaluate the objectives of fiscal policy.
3. Analyze the sources of internal and external debt
4. Differentiate between the balanced and unbalanced budget</td></tr>
</table>

9	# Syllabus
	Module 1: The Role of Government in an Economy **(15 hours)**
	• **Meaning and Scope of Public finance**, Major fiscal functions : allocation function, distribution function & stabilization function • **Principle of Maximum Social Advantage**: Dalton and Musgrave Views - the Principle in Practice, Limitations. • **Relation between Efficiency, Markets and Governments**
	Module 2: Public Revenue **(15 hours)**
	• **Sources of Public Revenue** : tax and non-tax revenues, Objectives of taxation - Canons of taxation - Types of taxes: direct tax and Goods and Services Tax - Tax Base and Rates of taxation: proportional, progressive and regressive taxation • **Shifting of tax burden:** Impact and incidence of taxation - Processes- factors influencing incidence of taxation • **Economic Effects of taxation:** on Income and Wealth, Consumption, Savings, Investments and Production. Redistributive and Anti – Inflationary nature of taxation and their implications
	Module 3: **Public Expenditure and Public Debt** **(15 hours)**
	• **Public Expenditure:** Canons - classification - economic effects of public spending - on production, consumption, distribution, employment and stabilization • **Theories of Public Expenditure**: Wagner's Hypothesis and Wiseman Peacock Hypothesis - Causes for Public Expenditure Growth - Significance of Public Expenditure**:** Low Income Support and Social Insurance Programmes. • **Public Debt:** Classification - Burden of Debt Finance : Internal and External- Public Debt and Fiscal Solvency
	Module 4: Fiscal Policy and Management **(15 hours)**
	• **Fiscal Policy:** Meaning, Objectives, constituents and Limitations, Contra cyclical Fiscal Policy and Discretionary Fiscal Policy : Principles of Sound and Functional Finance • **Budget-** Meaning objectives and types - Structure of Union budget - Deficit concept • **Intergovernmental Fiscal Relations:** fiscal federalism and fiscal decentralization **-** central- state financial relations, recommendations of recent finance commission.
11	**References:** • Ahuja H.L. : Modern Economics, 19th edition, 2015, S.Chand &co Pvt Ltd, New Delhi • Bhatia H.L.: Public Finance. Vikas Publishing House Pvt. Ltd. • David N. Hyman : Public Finance A Contemporary Application of theory of policy, Krishna Offset, Delhi • Hoiughton E.W.(1998) : Public Finance, Penguin, Baltimore • Hajela T.N: Public Finance – Ane Books Pvt.Ltd • Jha, R (1998) : Modern Public Economics, Route Ledge, London • Musgrave, R.A and P.B. Musgrave (1976) : Public Finance in Theory and Practice, Tata McGraw Hill, Kogakusha, Tokyo • Mithani, D.M (1998) : Modern Public Finance, Himalaya Publishing House, Mumbai • Singh.S.K. (2014): Public finance in Theory and Practice, S. Chand &co Pvt Ltd, New Delhi

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Format of Question Paper

Semester End Examination Question Paper Pattern

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Note:
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B.		
C.		
Q2	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		
Q3	**Answer the following question (Any 2)**	**15 Marks**
A.		
B.		
C.		

Q4	Answer the following question (Any 2)	15 Marks
A.		
B.		
C.		

Sd/-
Sign of the BOS Coordinator
Dr. Atul Salunkhe
Board of Studies in Business Economics

Sd/-
Sign of the Offg. Associate Dean
Prin. Kishori Bhagat
Faculty of Commerce

Sd/-
Sign of the Offg. Associate Dean
Prof. Kavita Laghate
Faculty of Commerce & Management

Sd/-
Sign of the Offg. Dean
Prin. Ravindra Bambardekar
Faculty of Commerce & Management