

# SYLLABUS

Panjab University, Chandigarh

## Business Economics

Paper Code : BCM 204

B.Com.-I, Semester-II

Time Allowed: 3 Hours

Maximum Marks: 100  
[External Assessment: 80 Marks  
Internal Assessment: 20 Marks]

### INSTRUCTIONS FOR THE PAPER SETTERS

**Note:** The question paper covering the entire course shall be divided into three sections.

**Section A:** This section will have 6 short answer questions from the entire syllabus. Students are required to attempt 4 questions from this section. Each question will carry 5 marks; the total weightage being 20 marks. (20 Marks)

**Section B:** This section will consist of essay type/numerical questions from Unit-I of the syllabus. The candidate will be required to attempt two questions out of four questions. Each question will carry 15 marks; the total weightage being 30 marks. (30 Marks)

**Section C:** This section will consist of essay type/numerical questions from Unit-II of the syllabus. The candidate will be required to attempt two questions out of four questions. Each question will carry 15 marks; the total weightage being 30 marks. (30 Marks)

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

### UNIT-I

#### Distribution

**Wages :** Meaning, Types, Marginal Productivity Theory of Wages, Modern Theory of Wages.

**Rent:** Meaning, Types, Ricardian Theory of Rent, Modern Theory of Rent, Quasi- Rent.

**Interest:** Meaning, Types, Classical Theory of Interest, Neo-Classical Theory of Interest, Liquidity Preference Theory of Interest.

**Profit:** Nature, Types, Dynamic Theory of Profits, Innovation Theory of Profits, Risks Bearing Theory of Profit, Uncertainty Bearing Theory of Profits.

**National Income:** Meaning, Concepts of National Income, Measurement of National Income, Difficulties in its Measurements, its Significance.

### UNIT-II

**Say's Law of Market:** Meaning, Implications.

Classical Theory of Income, Output and Employment.

Keynesian Theory of Employment.

**Effective Demand:** Determination, Importance.

**Consumption Function:** Meaning, Factors Influencing Consumption Function, Average and Marginal Propensities to Consume, Propensity to Save, Psychological Law of Consumption and its Importance.

**Marginal Efficiency of Capital:** Meaning, Determinants, Theory of Secular Stagnation.

**Investment:** Meaning, Types, Factors Affecting Investment, Importance of Investment, Measures to Raise Private Investment.

**Multiplier:** Meaning, Keynesian Income or Investment Multiplier, Leakages, Uses, Limitations of Multiplier, Multiplier and Underdeveloped Countries.