



# SAMRAT ASHOK TECHNOLOGICAL INSTITUTE

(Engineering College), VIDISHA M.P.

(An Autonomous Institute Affiliated to RGPV Bhopal)

## Mechanical Engineering Department

Semester/Year		VI/III		Program			B.Tech.					
Subject Category	OC		Subject Code:	OC-	Subject Name:		Introduction to Economy and Finance					
Maximum Marks Allotted								Contact Hours			Total Credits	
Theory				Practical			Total Marks	L	T	P		
End Sem	Mid-Sem	Assignment	Quiz	End Sem	Lab-Work	Quiz						
60	20	10	10				100	3	0		3	
Prerequisites:(Only for open electives)												
<b>Course Objective:</b>												
This course provides a simple understanding of the basic components of steam power plant. The course contains steam generators, the analysis of vapour power cycle, Gas dynamics and flow through steam nozzles, Reciprocating air compressors, Steam turbines for power generation and condensers.												
<b>Course Outcomes:</b>												
After completion of the course, students would be able to -												
<ol style="list-style-type: none"> <li>1. Explain underlying concept of economy, finance and managerial economics.</li> <li>2. Identify different finance markets and products, asset class, their value and associated risk therein.</li> <li>3. Interpret different financial statements, ratios and assess financial health on the basis of financial statements.</li> <li>4. Describe game theory rivalry competition and their applications in life</li> <li>5. Evaluate/calculate value of different financial instruments at any given point of time (present/future value)</li> </ol>												
	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12

CO1						1		1			2	2
CO2						1		1			3	1
CO3								1			3	1
CO4						1					3	1
CO5				2								2

**Contents:**

UNITs	Descriptions	Hrs.	CO's
I	Economics: Economics and Economy, types, Microeconomics and Macroeconomics, Sectors, purpose and challenges Market Economies, salient features of Indian economy Managerial economy- The Demand Curve, Factors that Affect Demand, The Supply Curve, Factors that affect Supply , law of demand and supply, elasticity.	8	1
II	Financial Market; Introduction, overview of financial system, institutional financing theory of interest rate, term structure of interest rate and yield curve. Important financial instruments and products, finance system functioning, key issue in financial function. Risk in financial market. Inflation-cause pros and cons,	8	2
III	Short term and Long term financial market: Money market and capital market, Important financial instruments like Call money, T-Bills, commercial papers, Bonds- government and corporate, Equity, private equity etc. Risk in financial market, introduction to Foreign exchange market, importance, participants functioning. Basic fundamentals of Derivative market-future, option and under laying.	8	3
IV	Financial Statements: Fundamental accounting terms and systems, financial statements- balance sheet income statement expense and profit cash flow statement, analysing statements and assessing financial health, Important ratios in financial statements, difference between a financial institutions and product company.	8	4

V	Rivalry Competition and Game theory: Competition, Oligopoly and monopoly. Buyers and sellers surplus, deadweight, Bertrand, Cournot and Stackelberg models. Game theory-prisoners dilemma, Nash equilibrium etc. Application of Game theory. Introduction to behavioral economics: biases and heuristic, emotions and decision making	8	5
Guest Lectures (if any)			
<b>Total Hours</b>		40	
<b>Suggestive list of experiments:</b>			
nil			
Text Books-			
Reference Boo Managerial Economics by Piyali Gosh Gitika & Purva Roy Choudhary McGraw Hills Financial Accounting by S N Maheshwari & Sunil K Maheshwary Managerial Economics by William F Samuelson –Wiley publication Indian Economy by Ramesh Singh –McGraw Hills Indian Financial System by Bharti Pathak-Pearson Financial Institutes and Market: Structure, Growth & Innovation by Bhole- McGraw Hills Taxmann’s Balance Sheet Decoded by G C Pipara- Taxmann Publications Principles of Economics with course mate by N Gregory Mankiw-Cengage			
ks-			
<b>Modes of Evaluation and Rubric</b>			
There will be continuous evaluation for during the semester for 40 sessional marks and 60 semester End term Marks. The practical marks are 50, out of which 30 marks will be awarded for viva voce and 20 marks for lab work. Out of 40 sessional marks, 20 shall be awarded for Mid semester, 20 marks to be awarded for day to day performance and Quiz/Assignments. For the 60 Marks, there will be a semester – End examination as per the norms of AICTE.			
Recommendation by Board of studies on		Date:	
Approval by Academic council on		Date:	

Compiled and designed by	Name 1. Dr Sanjay Katarey
Checked and approved by	Name 1