INTRODUCTION TO ECONOMY AND FINANCE

(Under Open Elective Category)

SYLLABUS:

UNIT 1

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.

UNIT 2

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,

UNIT 3

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.

UNIT 4

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.

UNIT 5

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

COURSE OUTCOMES:

After completion of the course students will be able to

1. Explain underlying concept of economy, finance and managerial economics.
2. Identify different finance markets and products, asset class, their value and associated risk therein.
3. Interpret different financial statements, ratios and assess financial health on the basis of financial statements.
4. Describe game theory rivalry competition and their applications in life
5. Evaluate/calculate value of different financial instruments at any given point of time (present/future value)

	P01	P02	P03	P04	P05	P06	P07	P08	P09	P010	P011	P012
CO1						1		1			2	2
CO2						1		1			3	1
CO3								1			3	1
CO4						1					3	1

Reference Book:

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

Program Outcomes as defined by NBA (PO) Engineering Graduates

1. Engineering knowledge: Apply the knowledge of mathematics, science, engineering fundamentals, and an engineering specialization to the solution of complex engineering problems.

2. Problem analysis: Identify, formulate, review research literature, and analyze complex engineering problems reaching substantiated conclusions using first principles of mathematics, natural sciences, and engineering sciences.

3. Design/development of solutions: Design solutions for complex engineering problems and design system components or processes that meet the specified needs with appropriate consideration for the public health and safety, and the cultural, societal, and environmental considerations.

4. Conduct investigations of complex problems: Use research-based knowledge and research methods including design of experiments, analysis and interpretation of data, and synthesis of the information to provide valid conclusions.

5. Modern tool usage: Create, select, and apply appropriate techniques, resources, and modern engineering and IT tools including prediction and modeling to complex engineering activities with an understanding of the limitations.

6. The engineer and society: Apply reasoning informed by the contextual knowledge to assess societal, health, safety, legal and cultural issues and the consequent responsibilities relevant to the professional engineering practice.

7. Environment and sustainability: Understand the impact of the professional engineering solutions in societal and environmental contexts, and demonstrate the knowledge of, and need for sustainable development.

8. Ethics: Apply ethical principles and commit to professional ethics and responsibilities and norms of the engineering practice.

9. Individual and team work: Function effectively as an individual, and as a member or leader in diverse teams, and in multidisciplinary settings.

10. Communication: Communicate effectively on complex engineering activities with the engineering community and with society at large, such as, being able to comprehend and write effective reports and design documentation, make effective presentations, and give and receive clear instructions.

11. Project management and finance: Demonstrate knowledge and understanding of the engineering and management principles and apply these to one's own work, as a member and leader in a team, to manage projects and in multidisciplinary environments.

12. Life-long learning: Recognize the need for, and have the preparation and ability to engage in independent and life-long learning in the broadest context of technological change