



(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	OE	Subject Code:	OE-605	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)

No prerequisite is required to join the course. Suitable for prefinal/final year UG and PG engineering students.

**Course Objective:**

Importance of finance in every sector of economy is assuming larger significance and as a sector itself, its pie has been growing. This course has been designed with an objective of providing a basic understanding of economy and financial sector including banks to the engineering students. This course will make students financially literate and develop capabilities in them to deal with basic issue of finance and economy enabling them to acquire advanced knowledge in this area if desire so. The target group will be undergraduate students of pre final, final year of all the discipline as well as post graduate students.

**Course Outcomes:**

After completion of the course, students would 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 there in.
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. Differentiate between rational and behavior economy- their concept application and decision making process

	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9	PO10	PO11	PO12
CO1						1	1	1			2	2
CO2						1		1			3	1
CO3								1			3	1
CO4						1		1				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 lying.	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. 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			
<b>Text Books-</b>			
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			
<b>Reference Web Resources:</b>			
<a href="https://icmai.in/upload/Students/Syllabus-2012/Study_Material_New/Foundation-Paper1.pdf">https://icmai.in/upload/Students/Syllabus-2012/Study_Material_New/Foundation-Paper1.pdf</a> <a href="https://www.investopedia.com/financial-term-dictionary-4769738">https://www.investopedia.com/financial-term-dictionary-4769738</a>			
<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		Name1.Dr Sanjay Katarey	
Checked and approved by		Name1	