

JAIPURIA INSTITUTE OF MANAGEMENT PGDM(SM); TRIMESTER II; ACADEMIC YEAR 2018-19

|  |  |
| --- | --- |
| Course Code and title | ECO 201: **Business and Economic Environment** |
| Credits | 3 |
| Term and Year | II Term, 2018 -19 |
| Course Requirement(s) | Regular reading of national and international current  affairs of economic and business relevance |
| Course Schedule (day and  time of class) | As per timetable |
| Classroom # (Location) | As per timetable |
| Course Instructor | Dr. Ritika Gugnani/Dr Vranda Jain |
| Course Instructor Email | Ritika.gugnani@jaipuria.ac.in/vranda.jain@jaipuria.ac.in |
| Course Instructor Phone (Office) | 0120-4638300 Ext 357/380 |
| Student Consultation Hours |  |
| Office location | CF /CS14 |

# Course Overview

In the previous course on Managerial Economics, students learnt how individuals and firms make decisions and interact with one another. This course shall expose students to the external environment of a business and how various environmental and macroeconomic factors affect the business decision making process. The course also aims to help students to comprehend the dynamics of various macroeconomic indicators that simultaneously act and give rise to a particular situation in an economy. The students after accomplishing this course should be able to draw out the relationship across macroeconomic variables such as income, inflation, investment, money supply, etc. Specific macroeconomic problems like inflation, growth rate, exchange rate fluctuations, and the control of business cycles will be discussed through this course both at conceptual level and with respect to the Indian economy. Policy interventions to address macroeconomic issues in India and their impact on business will also be discussed. The course also makes students familiar with the interaction between the money market and the commodity market.

The course delivery would also ensure that students understand some of the trade-offs in the economic environment of business like that between growth and inflation. Students in this course are expected to daily read Economic Times/Business Line/ or any Business paper regularly to develop a holistic and global perspective on current affairs and equip them with decision making with better understanding and confidence. Linkages with other courses: This course will help in courses like Business Strategy, International Finance and International Business

# Program Outcomes (POs)

PO 1. Communicate effectively and display inter-personal skills

PO2. Demonstrate leadership and teamwork towards achievement of organizational goals

PO 3. Apply relevant concepts for decision-making in service businesses.

PO 4. Develop innovative thinking for effective management of services.

PO 5. Demonstrate domain competency in a chosen sector of services industry.

PO 6. Appreciate sustainable and ethical business practices.

PO 7. Leverage technology for services management.

PO 8. Demonstrate capability as an independent learner.

# Course Outcomes (COs)

**At the end of the course, the students should be able to: CO 1:** Describe the functioning of macro economy

**CO 2:** Explain the economic articles published in a business newspaper

**CO 3:** Examine the impact of monetary policy and fiscal policy changes on businesses and economy

**CO 4:** Develop a global perspective of business

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| CO's | PO1 | PO2 | PO3 | PO4 | PO5 | PO6 | PO7 | PO8 |
| CO 1 |  |  | R\* |  |  |  |  |  |
| CO 2 |  |  |  |  |  | R\* |  |  |

# Mapping of COs with GAs

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **GA 1** | **GA 2** | **GA 3** | **GA 4** | **GA 5** | **GA 6** | **GA 7** | **GA 8** |
| **CO 1** |  | × |  |  |  |  |  |  |
| **CO 2** | × | × |  |  |  |  |  |  |
| **CO 3** |  | × | × |  |  |  |  |  |
| **CO 4** |  | × | × |  |  | × |  |  |
| **Count** | 1 | 5 | 3 | -- | -- | 2 | - | - |

**Mapping of COs with Key Differentiators**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Key Differentiator 1  Entrepreneurial Mind- set | Key Differentiator 2 Critical Thinking | Key Differentiator 3 Sustainability | Key  Differentiator 4 Team Player | **Count** |
| **CO 1** |  | × |  |  | 1 |
| **CO 2** |  | × |  |  | 1 |
| **CO 3** |  | × |  |  | 1 |
| **CO 4** | × | × |  |  | 2 |

1. **Prescribed VED framework**

|  |  |  |  |
| --- | --- | --- | --- |
| Module | **VITAL** | **ESSENTIAL** | **DESIRABLE** |
| Economic Environment and Macroeconomic Framework | Economic systems, Macroeconomic Indicators (GDP, GNI, Per capita Income, Disposable Income), Determinants of AD | PESTLE,  Classification of economies, Circular flow of income; Sources of  macroeconomic data, | Analysis of  Macroeconomic Data |
| Macroeconomic Policy Decisions | Business Cycles, Inflation:  Measurement, Objectives | Effects of Inflation | Monetary Policy Transmission Mechanism  Structural and Cyclical Inflation |
|  | and tools of monetary |  |
|  | policy; monetary policy for |  |
|  | stabilization, Objectives and |  |
|  | tools of fiscal policy; fiscal |  |
|  | policy for stabilization |  |
| Global Economic Framework | Exchange rate  determination, BOP, FDI, ODI, FPI | Dynamics of crude  oil, Geopolitical Issues |  |

1. **Text Book**

Course Handout shall be provided with this course.

# Additional Resources

1. Cherunilam, F. (2014). Business Environment: Text and Cases; New Delhi: Himalaya Publishing.
2. Global Economics, Robert J. Carbaugh, Cengage Learning, 13th Edition
3. International Business, Rakesh Mohan Joshi, Oxford Pub.
4. Strategies for the future: Understanding International Business, Ajit N. Mathur, IIM-Ahmedabad Pub.
5. International Economics: Theory and Practice, Paul R. Krugman, Pearson Pub.
6. Principals of Macroeconomics, 6th Edition, N. Gregory Mankiw, Thomson South Western, New Delhi.
7. Business Environment – Text & Cases, 3rd Edition, Justin Paul, McGraw-Hill Education (India) Private Limited, New Delhi.
8. Macro Econ – A South Asian Perspective, William A. McEachern and A. Indira (2016), Cengage Learning India Pvt. Ltd., Delhi
9. Macroeconomics: Theory and Practice, 4th Edition, D.N. Dwivedi, McGraw Hill Publication
10. A lot of web resources shall be discussed and shared by course facilitator throughout the course.

# Assessment Tasks

Assessment criteria set out the details by which performance in each task will be judged. This information will give a clear and explicit understanding of the expected standards to be achieved relative to the marks awarded.

|  |  |  |  |
| --- | --- | --- | --- |
| **Assessment Item** | **Description** | **Weightage** | **CO** |
| News Analysis (Individual task) | Presentation of news from Economic Times etc. | 10 % | 2 |
| Assignment on Real Time data Analysis  (Group Task) | Students need to collect the data from authentic sources, compile it, study the trend, prepare excel file, make a graph, report periods of sharp fluctuations, identify the reasons for those fluctuations and attach the report. | 20 % | 1 |
| Industry / Company Analysis (preferably for Companies visiting Jaipuria for Placement Process)  (Group Task) | Industry Analysis to understand the complexity of an industry. It helps them get a sense of what is happening in an industry (Demand – Supply statistics), degree of competition with in Industry, state of competition of the industry with other emerging industries, future prospects of the industry taking into account technological changes, and influence of external factors on the industry. | 10% | 4 |
| Quiz | Moodle based quiz Continuous | 20% | 3 |
| End Term Hall Examination | Hall Exam  Week 12 | 40% | 1,2,3,4 |

# Assessment Task 1: News Analysis (Individual Task)

Assessment Details: It is an individual task but 2 students can choose one common topic and present their individual view points on that topic. However, this is not mandatory to follow. The course instructor can look into the assigning of topics and change accordingly. The two students will form one unit for presentation of news from Economic Times/ daily business newspaper like Financial Express etc. Selection of the news item should be **related to the course** and selection necessarily has to be from last 2-3 days Economic Times/ any other financial newspaper. The students presenting the news analysis needs to bring a copy of the paper to class and show the news items being presented. Presentation will not be allowed, if copy of ET (or article from any business newspaper) is not brought in the class. Presentation time is maximum 5 minutes each student which has to be strictly followed. The presenters have to add a few points in presentation. Any analysis added to the news will be considered for additional marks. Presenters will decide how they want to manage given time. Faculty is not responsible for mismanagement of time. It will be a purely oral presentation, no PPT will be allowed. Though, presenters can carry newspaper, notes etc., **but reading out of news/point verbatim will be awarded zero marks**. Any discussion arising out of news presentation will not form part of evaluation. ET News Presentation will be evaluated for 10 marks and will constitute 10% weightage in total marks

* 1. Criteria used to grade this task: Relevance of News (3) + Analysis (3) + Skill (2) + Q& A(2)
  2. Task Assessor: Internal Faculty
  3. Suggested time to devote to this task: Continuous
  4. Submission details: Soft copy upload on LMS
  5. Feedback and return of work: Feedback will be given immediately after assessment.

# Assessment Task 2: Assignment on Real Time data Analysis (Group)

**Assessment Details**: Visit various sources of macroeconomic data individually**.** A student is required to collect the data from authentic sources, compile it, study the trend, prepare excel file, make a graph, report periods of sharp fluctuations, identify the reasons for those fluctuations and attach the report. Please do not forget to mention the sources of data. Only two attachments per students are allowed- one of excel file and the other word document. Please ensure that you do not copy paste, rather give your perspectives and share your understanding of the topic. (Sample Assignments)

**Study Group 1,2,3:** Evaluate the impact of crude oil prices on the Indian fiscal situation (last 10 years, with focus on present scenario).

**Study Group 4,5,6:** Investigate and analyze how India has performed on Human Development Score (HDI) score over 1980-2013. Also compare it with countries (at least 5) having similar, higher and lower level of economic development (than India) and comment on your observations.

**Study Group 7,8,9 :** Track and present the (detailed) movements in prices (inflation) in the last decade (focus on the factors responsible for price changes; food and nonfood inflation; CPI and WPI changes and recent changes adopted in these indices)

**Study Group 10,11,12:** Study the annual GDP growth rates of GNI (gross national income), NNI (net national income) and per capital net national income of Indian economy since 1950.

The course instructor can add more topics if they feel the necessity.

1. Criteria used to grade this task: Comprehension (5), application (5)
2. Task Assessor: Internal Faculty
3. Suggested time to devote to this task: 9th week
4. Submission details: Neatly type-set, Soft copy submission/ LMS
5. Feedback and return of work: Depends on requests by students

# Assessment Task 3: Industry Analysis (Group Task)

1. Assessment Details: Use Industry Analysis to understand the complexity of an industry. It helps them get a sense of what is happening in an industry (Demand – Supply statistics), degree of competition with in Industry, state of competition of the industry with other emerging industries, future prospects of the industry taking into account technological changes, and influence of external factors with special emphasis on global factors on the industry.
2. Criteria used to grade this task: Comprehension (3) + Critical thinking (4) + Organizing (3)
3. Task Assessor: Internal Faculty
4. Suggested time to devote to this task: 6 th Week
5. Submission details: Soft Copy Submission on LMS
6. Feedback and return of work: On the spot and one to one in person

# Assessment Task 4: Quiz (Individual Task)

1. Assessment Details: Multiple Choice Questions or Scenario based Questions to check the conceptual clarity on functioning of Macro economy. There will be two quizzes. The Quiz can be surprise or with prior information. **The first quiz will be on checking of understanding functioning of macro economy. The second quiz will be based on monetary and fiscal policy**. The quiz can be conducted in the class or on LMS system
2. Task Assessor: Internal Faculty
3. Suggested time to devote to this task: Concurrent
4. Submission details: No submission of documents
5. Feedback and return of work: On the spot

# Assessment Task 5: End Term (Individual task)

1. Assessment Details: Questions based on the course content will be posed to the students to give adequate responses with suitable illustrations and examples.
2. Criteria used to grade this task: Comprehension (30%), Application (50%) and Skill (20%)
3. Task Assessor: Internal faculty and External Examiner question paper setter
4. Suggested time to devote to this task: End of term
5. Submission details: Hall Examination
6. Feedback and return of work: No feedback and the answer scripts will not be returned

# Session Plan

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Session** | **Topic/ Sub Topic** | **Reading Reference** | **Pedagogy** | **Session Learning Outcomes** | **CO** |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 1. | Course Overview, Assessment criteria.  Economic environment of business. | News Articles | Video, Industry  Post Class Work: PESTLE  framework | Describe the impact of Environment on Businesses | 1 |
| 2. | Economic systems,  Classification of economies | Hand out Pre Read |  | To make students learn about economic systems and global classification of economies | 1 |
| 3-4 | Macro-economic framework  Aggregate Demand, Aggregate Expenditure |  | Pre read on Circular Flow of Income and Expenditure followed by class discussion using news articles. | Describe key macroeconomic Indicators assessing health of the economy | 1 |
| 5 | Key Macroeconomic Indicators-I  National Income, GDP, GNP, GDP( PPP), Real  and Nominal GDP, | Handouts | Using news  articles and data, discussion on these indicators  Post Class Work: Is GDP true indicator of Economic Well being | Describe key macroeconomic Indicators assessing economic health of a country | 1 |
| 6 | Key Macroeconomic Indicators –II  Per capita Income, Disposable Income , Gini coefficient, HDI etc. | Hand Outs | Pre –read: Overview/ Summary of latest Human Development Report  Video | Describe key macroeconomic Indicators assessing socio-economic health of economy country | 1,5 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | Class Discussion |  |  |
| 7 | Presentation on News items ( 5 groups of 2 members each) Roll No. 1-10 |  |  |  | 1,2 |
| 8 | Business Cycles | Hand Out | Data based Activity.  Identifying Phases of Economy | To create an  understanding of different phases of business cycles and their business implications | 1 |
| 9 | Presentation of News ( 5groups)Roll No. 11-20 |  |  |  |  |
| 10 | Inflation: Measurement (WPI and CPI in India, GDP deflator) | Hand Out | Video, News Articles of this week | To create a comprehensive understanding of how inflation is calculated in India | 1 |
| 11 | Inflation: Effects, Causes and Control measures | Hand Out | Video, News Articles | To enable students learn factors fueling inflation and available control mechanism | 1 |
| 12 | Rate of Interest and Monetary Policy  (Demand for and supply of money) | Hand Out | RBI official website ( Real time data ) | To make students learn about determinants/ process of demand for and supply of money and how it affects rate of Interest and other variables in the economy. | 1,3,4 |
| 13 | Objectives and tools of monetary policy; | Web Resources Hand Out | RBI official website (Real time data) | To create understanding on working of monetary policy | 1,3,4 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | monetary policy for stabilization |  |  |  |  |
| 14 | Presentation of News Groups ( Roll No. 21-30) |  | News Articles | To enable students to use tools learned in the course for real time analysis | 1,2,3,4 |
| 15 | Objectives and tools of fiscal policy | Web Resources Hand Out | Union Budget | Objectives and tools of fiscal policy | 3 |
| 16 | Fiscal policy for stabilization | Web Resources Hand Out | Union Budget | fiscal policy for stabilization | 3 |
| 17 | Exchange Rate Determination | Hand Out |  | Students should be able to appreciate various exchange rate practices adopted by different countries; explain the impact of fixed / floating exchange rate for an economy and should be able examine the impact of various factors on exchange rates | 1,4 |
| 18 | Presentation of News Group ( Roll No. 31-40) |  |  |  |  |
| 19 | The Balance of Payments structure | BOP Statements of India  \* Web- resources | Analysis of Real Time Data | Students should be able to infer the details of current and capital account and financial accounts in the BOP statement; examine the implications of current account deficit | 1,4 |
| 20 | Dynamics of Crude Oil prices |  |  | Students should be able  to demonstrate understanding of | 1,4 |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  | dynamics of crude oil pricing |  |
| 21 | Presentation of News  Group ( Roll No. 41-50) |  |  |  | 1,2,3,4 |
| 22 | Key Geopolitical issues affecting world trade (South China Sea, OBOR) | Students should be able to discuss geopolitical issues; analyse how they affect trade and other relations with special  reference to India |  |  | 1,2,4 |
| 23. | Presentation of News  Group ( Roll No. 51-60) |  |  |  | 1,2,3,4 |
| 24 | **Session wind up, Feedback and Learning Integration; Tutorial as per announcement** | | | | |

\* 2 guest talks will be planned in the course.

# Rubrics for Assessment Tasks

1. **Rubrics for News Analysis Presentation**

|  |  |  |  |
| --- | --- | --- | --- |
| **CRITERIA** | **LEVEL 1**  **Not yet Complete ( 0-4 Marks)** | **LEVEL 2**  **Competent**  **( Marks 5-7)** | **LEVEL 3**  **Excellent**  **( Marks 8-10)** |
| **Teamwork (5 M)** | Team did not collaborate or communicate well. Some members would work independently, without regard to objectives or priorities. A lack of respect and regard were frequently noted. | The team worked well together most of the time, with only a few occurrences of communication breakdown or failure to collaborate when appropriate.  Members were mostly respectful of each other. | The team worked well together to achieve objectives. Each member contributed in a valuable way to the project. All data sources indicated a high level of mutual respect and collaboration. |
| **Presentation(5 M)** | The presentation was a brief look at the topic but many questions were left  unanswered. | The presentation was a good | The presentation was a concise  summary of the |

|  |  |  |  |
| --- | --- | --- | --- |
|  | Majority of information irrelevant and significant points left out.  Minimal eye contact by more than one member focusing on small part of audience. The audience was not engaged. Majority of presenters spoke too quickly or quietly making it difficult to understand.  Inappropriate/disinterested body language. | summary of the topic.  Most important information covered; little irrelevant info.  Most members spoke to majority of audience; steady eye contact.  The audience was engaged by the presentation.  Majority of presenters spoke at a suitable volume. Some fidgeting by member(s). | topic with all questions answered. Comprehensive and complete coverage of information.  Regular/constant eye contact, The audience was engaged, and presenters held the audience’s attention.  Appropriate speaking volume & body language. |

1. **Rubrics for Assignment (Real Data Analysis)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Poor Points 0-4** | **Fair Points 5-10** | **Good Points 11-15** | **Excellent Points 15-20** |
| **UNSATISFACTORY** | **MINIMAL** | **PROFICIENT** | **EXEMPLARY** |
| **Writing** lacks logical organization. It shows some coherence but ideas lack unity. Serious errors.  Shows some thinking and reasoning but most ideas are underdeveloped and unoriginal.  Main points lack detailed development. Ideas are vague with little evidence of critical thinking. | Writing is coherent and logically organized.  Some points remain misplaced and stray from the topic.  Transitions evident but not used throughout essay.  **Content** indicates thinking and reasoning applied with original thought on a few ideas.  Main points are present with limited detail and development. Some critical thinking is present. | Writing is coherent and logically organized with transitions used between ideas and paragraphs to create coherence. Overall unity of ideas is present.  Content indicates original thinking and develops ideas with sufficient and firm evidence.  Main points well developed with quality supporting details and quantity. **Critical thinking** is weaved into points | Writing shows high degree of attention to logic and reasoning of points. Unity clearly leads the reader to the conclusion and stirs thought regarding the topic.  Content indicates synthesis of ideas,  in-depth analysis and evidences original thought and support for the topic.  Main points well developed with high |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | quality and quantity support. Reveals high degree of critical thinking. |

1. **Rubrics for Industry Analysis**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CRITERIA** | **Unsatisfactory**  **Points 0-4** | **Marginal**  **Points 5-8** | **Satisfactory**  **Points 9-12** | **Good**  **Points 13-16** | **Excellent**  **Points 17-20** |
| **Research** | Did not meet assignment requirements.  Research was incomplete.  Research was from unreliable sources. | Barely met assignment requirements.  Insufficient to thoroughly support project | Research met assignment requirements. | Research exceeded assignment requirements.  Professional | Research dramatically exceeded assignment requirements.  Highly professional |
| **Content** | Content was insufficient to explain the subject matter. | Majority of the presentation does not  relate to or | Adequate specific facts, however, more facts or  elaboration | Sufficient use of specific and relevant facts are  included. | Excellent use of specific and relevant facts. Fully  supported by |
|  | Content did not include the required ratio calculations or company analysis. | support the topic.  Company Analysis ratios and calculations | would enhance the presentation.  Company Analysis ratios and | Company Analysis ratios and calculations are conclusive. | the Company Analysis ratios and calculations.  Highly professional. |
|  |  | were vague | calculations | Professional |  |
|  |  | or incorrect. | were |  |  |
|  |  |  | included. |  |  |
| **Organization** | Information was not organized in a logical manner. | Portions of the material was organized,  but would not | Presentation organization meet assignment  requirements. | Presentation exceeded requirements and was well  organized. It | Presentation was very well organized. the  information |
|  |  | be considered | All topics | was easy to | followed a |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Information was difficult to understand and did not flow well. | effective or complete in a real world environment. | were included in a logical manner. | follow and understand.  Professional | logical flow.  Highly Professional |

1. **Rubrics for Quiz**

|  |  |  |  |
| --- | --- | --- | --- |
| **Poor** | **Fair** | **Good** | **Excellent** |
| **Points 0-3.4** | **Points 3.5-5.9** | **Points 6-7.9** | **Points 8 – 10** |
| Most of the concepts are not clear and student is unable to understand the same. | Many of the concepts are clear and understood by student. | Majority of concepts are clear and understood by student. | Most of concepts are clear and understood by the student. |

1. **Rubrics for End Term**

|  |  |  |  |
| --- | --- | --- | --- |
| **Poor** | **Fair** | **Good** | **Excellent** |
| **Only Up To 35% Answers Are Correct** | **Between 35 – 50% Answers Are Correct** | **Between 60 – 80% Answers Are Correct.** | **80% Or More Answers Are Correct.** |
| Most of the concepts are not clear and student is unable to understand the same. | Many of the concepts are clear and understood by student. | Majority of concepts are clear and understood by student. | Most of concepts are clear and understood by the student. |

**Institute’s Policy Statements**

It is the responsibility of every student to be aware of the requirements for this course, and understand the specific details included in this document. It is emphasized that this course requires a significant commitment outside of formal class contact. The learning tasks in this course may include classes (lectures or seminars), required reading, the preparation of answers to set questions, exercises and problems, and self-study. In addition, students may be required to complete an assignment, test or examination.

# LMS-Moodle/Impartus:

LMS-Moodle/Impartus is used to host course resources for all courses. Students can download lecture, additional reading materials, and tutorial notes to support class participation.

# Late Submission

Assessment tasks submitted after the due date, without prior approval/arrangement, will be not be accepted. Requests for extension of time must be made with the faculty member concerned and based on Special Consideration guidelines.

# Plagiarism:

Plagiarism is looked at as the presentation of the expressed thought or work of another person as though it is one's own without properly acknowledging that person.

Cases of plagiarism will be dealt with according to Plagiarism Policy of the institute. It is advisable that students should read Student Handbook for detailed guidelines. It is also advisable that students must not allow other students to copy their work and must take care to safeguard against this happening. In cases of copying, normally all students involved will be penalized equally; an exception will be if the student can demonstrate the work is their own and they took reasonable care to safeguard against copying.