

# JAIPURIA INSTITUTE OF MANAGEMENT NOIDA PGDM (SM); TRIMESTER II; Academic Year: 2019-20

**Course Outline**

|  |  |
| --- | --- |
| Course code and title | **ECO201: Business and Economic Environment** |
| Credits | 3 |
| Term and year | 2nd trimester, 2019-20 |
| Course requirement(s) | Regular reading of national and international current affairs of  economic and business relevance |
| Course schedule (day & time of class) | As per time table |
| Classroom number and location | As per time table |
| Course instructor | Dr. Ritika gugnani/Dr. Vranda Jain/ Prof. Alok Kumar |
| Course instructor Email Id | [Ritika.gugnani@jaipuria.ac.in,](mailto:Ritika.gugnani@jaipuria.ac.in) [vranda.jain@jaipuria.ac.in](mailto:vranda.jain@jaipuria.ac.in) |
| Course instructor Phone (office) | 0120-4638300 Ext 357, Ext 380 |
| Course instructor Office location | First floor/ Second Floor |
| Student Consultation Hours | Monday-Thursday 2.00-4.00 pm |

1. **COURSE OVERVIEW**

In the previous course on Managerial Economics, students learnt how individuals and firms make decisions and interact with each other in the market. This course shall expose students to the external environment of a business and how various environmental and macroeconomic factors affect the business decision making. 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 completing 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, slow growth, exchange rate fluctuations, current account deficit, and 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. This course has forward linkage with 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: Examine the impact of monetary policy and fiscal policy changes on businesses and economy. CO 3: Explain the interface between domestic economy and rest of the world.

# CO-PLO mapping

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | PO1 | PO2 | PO3 | PO4 | PO5 | PO6 | PO7 | PO8 |
| CO 1 |  |  |  |  | R\* |  |  | R\* |
| CO 2 |  |  | R\* |  | R\* |  |  |  |
| CO 3 |  |  | R\* |  | R\* |  |  |  |

1. 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. **TEXT BOOK**

Handouts shall be provided to students.

# 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 Economics: Theory and Practice, Paul R. Krugman, Pearson Pub.
4. Principals of Macroeconomics, 6th Edition, N. Gregory Mankiw, Thomson South Western, New Delhi.
5. Business Environment – Text & Cases, 3rd Edition, Justin Paul, McGraw-Hill Education (India), New Delhi.

# ASSESSMENT TASKS

|  |  |  |  |
| --- | --- | --- | --- |
| **Assessment Task** | **Description** | **Weightage** | **CO** |
| News Log and Presentation | It will be an individual task. Every student will prepare/maintain in hard copy a Log of News related to businesses, macro economy and economic environment in India published in Economic Times, Business Standard, etc. There must be at least 20 news items in the News Log. Student will have to add/document their own understanding and analysis of the news item. Students will also have to present verbally (without using PowerPoint or hand notes) one news item and its analysis for which each student will be given 5 minutes.  Marks allocation: 10 marks for News Log and 10 marks for presentation. | 20 % | CO1 |
| Assignment on Real Time Data Analysis | It will be a group task. Each group will be assigned a topic/theme and the group will be required to collect the relevant data from authentic sources, compile it, study the trend, prepare excel file, make a graph, report the periods of sharp fluctuations, identify the reasons for those fluctuations and attach the report. Each group will have to submit an excel file containing the data and graph as well as a text file containing the write-up and analysis.  Marks allocation: 10 marks for data presentation and graph and 10 marks for the write-up. | 20 % | CO3 |
| Quiz | Quizzes will be conducted either on Moodle or in pen &  paper mode. Questions may be MCQs, fill in the blank, short answer, etc. | 20% | CO1: 10%  CO2: 10% |
| End-term examination | Hall/online examination based on full course | 40% | CO1-10%, CO2-20% CO3-10% |

1. **SESSION PLAN**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Session No.** | **Topic** | **Reading/ References** | **Pedagogy** | **Session Learning Objective** | **CO**  **addressed** |
| 1 | Introduction  [Course overview & assessment plan; economic systems, classification of economies, economic environment of business) | Handout | Class discussion | To familiarize students about various economic systems, economic classification of economies and economic  environment of business | CO1 |
| 2-3 | Circular flow of income, GDP and related aggregates in India | Handout | Class discussion Worksheet | To enable students describe working of macro-economy and describe GDP and related  aggregates | CO1 |
| 4-5 | Aggregate Expenditure and Aggregate Output | Handout | Class discussion Worksheet | To explain various components of aggregate expenditure and multiplier effect | CO1 |
| 6-7 | Macroeconomic equilibrium [aggregate demand and aggregate  supply analysis] | Handout | Class discussion | To explain implications of macroeconomic  disequilibrium | CO1 |
| 8 | News Analysis and Presentation  (1-10) |  |  |  | CO1 |
| 9 | Business Cycles | Handout | Class discussion Case study | To develop an understanding of different phases of business cycles  and their implications for businesses | CO1 |
| 10 | News Analysis and Presentation  (11-20) |  |  |  | CO1 |
| 11-12 | Inflation in India  [measurement and causes, effects and control measures] | Handout | Class discussion | To enable students learn the factors fueling the  inflation and efficacy of control mechanism | CO1 |
| 13-14 | Monetary policy in India [Objectives, targets and tools] | Handout | Class discussion Case study | To examine monetary policy transmission  mechanism in India and its business implications | CO2 |
| 15 | News Analysis and Presentation  (21-30) |  |  |  | CO1 |
| 16 | Fiscal policy in India [Objectives and tools] | Handout | Class discussion Case study | To examine business  implications of fiscal policy changes | CO2 |
| 17 | Exchange rate determination | Handout | Class discussion | To explain determinants of exchange rate between INR and other key  currencies | CO3 |
| 18 | News Analysis and Presentation  (31-40) |  |  |  | CO1 |
| 19-20 | Balance of payments of India | Handout | Class discussion Worksheet | To explain implications of adverse/favorable balance  of payments of India | CO3 |
| 21 | News Analysis and Presentation  (41-50) |  |  |  | CO1 |
| 22 | Dynamics of crude oil prices and its implication for businesses and economy | Handout | Class discussion | To explain the factors of fluctuation in crude oil  prices and their business implications | CO3 |
| 23 | Foreign Investment in India [FDI and FPI] | Handout | Class discussion Worksheet | To explain pattern of FDI and FPI in India and its business implications | CO3 |
| 24 | News Analysis and Presentation (51-60) |  |  |  | CO1 |

1. **RUBRICS FOR ASSESSMENT**

**CO 1: Describe the functioning of macro economy**

Assessment tasks: Quiz-1, News Log & Presentation, Mid-term Examination, End-term Examination

# Quiz-1

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0-5 marks) | Average (5.1-9 marks) | Good (9.1-10 marks) |
| Clarity and understanding of the concepts related to functioning of macro economy | Most of the concepts are not clear and student is unable to understand the  same. | Many concepts are clear and understood by the student | Most of the concepts are clear and understood by the student |  |

**News Log & Presentation**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0.00-7.99 marks) | Average  (8.00-13.99 marks) | Good  (14.00-20.00 marks) |
| Relevance of news items to the course content (Weight: 20%) | News items have no/remote connect with the course | News items are indirectly but strongly  connected with the course | News items have direct and strong relevance to the course |  |
| Analysis of news item (Weight: 50%) | News items are merely paraphrased without adequate analysis and explanation | Some analysis of the news items has been done and reasonable explanation is given | News items are analyzed for their relevance, probable causes and effects on business and economy; elaborate  explanations given |  |
| Delivery of presentation (Weight: 30%) | Over usage of hand notes while making presentation; poor body language;  ineffective communication | Low usage of hand notes while making presentation; acceptable body  language; fair communication | No/minimal usage of hand notes while making presentation; positive body language; good and effective communication |  |
| Weighted score out of 20 | | | |  |

**End-term exam**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0.0-4.0 marks) | Average  (4.1-7.0 marks) | Good  (7.1-10.0 marks) |
| Ability to describe | Students were unable to | Students were able to | Students were able to |  |
| dynamics of | describe clearly the | describe to large extent | describe flawlessly the |
| macroeconomic | dynamics of | the dynamics of | dynamics of |
| equilibrium/ | macroeconomic | macroeconomic | macroeconomic |
| disequilibrium, features | equilibrium/ | equilibrium/ | equilibrium/ |
| and business implications | disequilibrium, features | disequilibrium, features | disequilibrium, features |
| of different phases of | and business | and business | and business |
| business cycles, and | implications of different | implications of different | implications of different |
| business implications and | phases of business | phases of business | phases of business |
| control of inflation | cycles, measurement, | cycles, measurement, | cycles, measurement, |
|  | causes, business | causes, business | causes, business |
|  | implications of inflation | implications of inflation | implications of inflation |
|  | and its control measures | and its control measures | and its control measures |

**CO 2: Examine the impact of monetary policy and fiscal policy changes on businesses and economy**

Assessment tasks: Quiz-2, Assignment on Real Time Data Analysis, End-term Examination

# Quiz-2

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0-5 marks) | Average  (5.1-9 marks) | Good  (9.1-10 marks) |
| Clarity and understanding of the concepts related to monetary and fiscal policy changes and their implications for  businesses and economy | Most of the concepts are not clear and student is unable to understand the same. | Many concepts are clear and understood by the student | Most of the concepts are clear and understood by the student |  |

**End-term exam**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0.00-8 points) | Average  (8.1-14 points) | Good  (14.1-20.00 points) |
| Exhibition of ability to | Students were unable to | Students were able to | Students were able to |  |
| examine the working of | properly examine and | examine and explain to | fully examine and |
| monetary policy tools and | explain the working of | large extent the working | explain the working of |
| monetary policy | monetary policy tools | of monetary policy tools | monetary policy tools |
| transmission, working of | and monetary policy | and monetary policy | and monetary policy |
| fiscal policy tools, impact | transmission, working of | transmission, working of | transmission, working of |
| of monetary and fiscal | fiscal policy measures, | fiscal policy measures, | fiscal policy measures, |
| policy changes on | business implications of | business implications of | business implications of |
| businesses, and | changes in monetary and | changes in monetary and | changes in monetary and |
| complementarity between | fiscal policies, and | fiscal policies, and | fiscal policies, and |
| monetary and fiscal | necessity for monetary | necessity for monetary | necessity for monetary |
| policy for best outcome | and fiscal policy | and fiscal policy | and fiscal policy |
| for businesses and | coordination | coordination | coordination |
| economy |  |  |  |

**CO 3: Explain the interface between domestic economy and rest of the world Real Time Data Analysis**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0.00-10 points) | Average  (10.1-15 points) | Good  (15.1-20.00 points) |
| Quality and completeness of graph/diagram (Weight: 30%) | Disjointed representation of data through multiple trend lines  No labelling (including unit specifications) of graph done  Visibility of data fluctuations is poor | Representation of data through an integrated & single trend line  No proper labelling (including unit specifications) of graph done  Data fluctuations are fairly visible in the diagram | Representation of data through an integrated & single trend line  Proper labelling (including unit specifications) of graph done  Data fluctuations are clearly visible in the diagram |  |
| Write-up (Weight: 70%) | Causal analysis of fluctuations in data not done, movements have been just described  Fundamental factors of the observed fluctuations not touched/mentioned  Flow of the write-up is frequently broken | Causal analysis of only a few ups and downs done and reasonably appropriate explanation given for such movements  Fundamental factors of the observed fluctuations not mentioned  Flow of the write-up is fairly smooth | Causal analysis of all ups and downs done and correct explanation given for such movements  Fundamental factors of the observed fluctuations clearly mentioned  Language of the write-up is clear and easily understandable |  |
| Weighted score out of 20 | | | |  |

Assessment task: End-term Examination

# End-term Examination

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Criterion | Performance level | | | Score |
| Poor  (0-4 marks) | Average  (4.1-7.0 marks) | Good  (7.1-10 marks) |
| Ability to explain | Students were | Students were able to | Students were able to |  |
| determinants and | unable to | explain to large | fully explain |
| fluctuations of exchange | appropriately | extent the | determinants and |
| rate between INR and | explain the | determinants and | fluctuations of |
| other key currencies, | determinants and | fluctuations of | exchange rate between |
| implications of adverse | fluctuations of | exchange rate | INR and other key |
| balance of payments | exchange rate | between INR and | currencies, implications |
| situations, particularly | between INR and | other key currencies, | of adverse balance of |
| current account deficit, | other key currencies, | implications of | payments situations, |
| fluctuations in crude oil | implications of | adverse balance of | particularly current |
| prices & their business | adverse balance of | payments situations, | account deficit, |
| implications, and role of | payments situations, | particularly current | fluctuations in crude oil |
| FDI and FPI in India | particularly current | account deficit, | prices & their business |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | account deficit, fluctuations in crude oil prices & their business implications, and role of FDI and FPI  in India | fluctuations in crude oil prices & their business implications, and role of FDI and FPI in India | implications, and role of FDI and FPI in India |  |

**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.