



Birla Institute of Technology & Science, Pilani
Hyderabad Campus

FIRST SEMESTER 2022-2023

COURSE HANDOUT PART II

Date: 29.08.2022

In addition to Part-I (General Handout for all courses appended to the timetable), this portion gives further specific details regarding the course.

Course No.	: ECON F214
Course Title	: Economic Environment of Business
Instructor-in-charge	: Bheemeshwar Reddy A

1. Scope and Objective:

Firms operate in the prevailing macroeconomic environment. In the contemporary globalized economic world, both domestic as well as global economic conditions impact profitability of individual firms. Hence, the strategic decision making on the part of individual firms require a thorough understanding of the challenges posed by external economic environment.

The main objective of this course is to explore the economic factors which are external to and beyond the control of individual business enterprises and their managements, with particular focus on the Indian context. Thus, the course aims to:

- (1) Create familiarity with economic environment concepts and indicators, economic policies and economic regulation
- (2) Evolve an ability to analyze and anticipate changes in economic environment and,
- (3) Enable students to take more effective business decisions by being responsive to the external economic environment.

2. Text Book (TB):



3. Reference Books:

R1: Thomas, Alex M, “Macroeconomics: An Introduction”, *Cambridge University Press, India, 1st^d Edition 2021.*

R2: Nilanjan Banik, “The Indian Economy: A Macroeconomic Perspective”, *SAGE Publication India Private limited.*

R3: Satish Y. Deodhar, “Day to Day Economics”, *Random House India*

R4: A.C. Fernando, “Business Environment” *Pearson Education*

R5: The core team, “The Economy”

R6: Shayamal Roy “*Macroeconomic Policy Environment: An Analytical Guide for Managers*”, *Tata McGraw Hill Education Private Limited, 2nd edition.*

Additional Reading

- ❖ Additional readings will include research papers appeared in academic journals and books. The same will be uploaded on CMS from time to time during the semester.
- ❖ Students are strongly advised to regularly read popular daily business newspapers such as The Economic Times, Mint, Business Line and Financial Time and popular magazines such as Economic and Political Weekly and The Economist.

Course Plan:

Lecture No.	Learning objectives	Topics to be covered	Chapter in the Text Book
1	On completion of the module, students will be able to learn the	Business and its Environment: Meaning, Characteristics and	Chapter 1 (R6) and



	<p>concept of business environment and how macroeconomic environment affects behaviour and performance of the firms in an economy. Students will also learn some of the features of modern business in the context of contemporary Indian economy</p>	<p>Objectives, Features of Modern Business, Economic and Financial Environment, Non-economic Environment</p>	<p>additional readings</p>
2-20	<p>Students will learn the different measures that are useful to evaluate macroeconomic health of an economy. The students will be able to apply these techniques to analyse business environment in the country. For example, students will be able to analyse how rise in inflation can affect the business environment in the context of Indian economy.</p>	<p>Basic Parameters of Indian Economy National Income- Concepts and Measurement, Economic Growth, Income Distribution and Inequality, Inflation, Unemployment</p>	<p>Ch. 10 – Ch.11 (TB) &Ch. 2 & 3 (R1), Ch. 1, 2 & and additional readings</p>
21-30	<p>After this module, students will be able to discuss how changes in monetary policy impact strategic decision by</p>	<p>Monetary Policy Topics: Concept, meaning, objectives of monetary policy, direct and indirect instruments monetary policy and role of central bank (RBI) in monetary policy</p>	<p>Ch.16-17 (TB) &Ch.5 (R6). & additional readings</p>



	business such as firm borrowing decision and investment decision. They will also learn about the role of central banks in formulating monetary policy.		
31-38	On completing this module, students will be able to critically analyse the role of fiscal policy in achieving macro-stability and promoting equitable and sustainable economic growth. Students will be able to analyse the impact of fiscal policies such as the Fiscal Responsibility and Budget Management Act 2003 on performance of Indian economy.	Fiscal Policy Topics: Concept, objective, techniques, advantages and evaluation of fiscal policy. Direct and indirect taxes, and expenditure policy of the Government.	Ch. 20-22 (TB) & Ch.4 (R6) & additional readings
39-42	By the completion of the module, students will be able to discuss how trade policy influences	Open-Economy Macroeconomics: Basic Concepts Topics: Features and phases of India's trade policy, reforms, BOP, current and capital accounts,	Ch. 18-19 (TB) & Ch. 6, 7 (R2) Ch. 6 (R6) & additional readings



	business environment in an economy. Students will be able to critically analyse the measures taken by the government of India to promote export oriented business in India in the recent years.		
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Module-6: Industrial Policy

5. Evaluation scheme:

EC No.	Components	Duration	Weight age (%)	Date, Time & Venue	Nature of Component
1.	Quiz 1	30 min.	10	To be announced	OB
2.	Quiz 2	30 min.	10	To be announced	OB
3	Mid-sem	90 min.	30	05/11 9.00 - 10.30AM	CB
3.	Assignment/ Presentation (2-4)	-	10	To be announced	OB
4.	Comprehensive Exam.	180 min.	40	30/12 FN	CB

6. Chamber Consultation Hour: Every Monday 5:00PM -6:00PM

7. Notices: Notices, if any, would be put on CMS

8. Make-up Policy: Make-up will be granted only on genuine grounds and if prior permission is taken. No application will be accepted in the Exam Hall. Make-up will be given only on Doctor's/Warden's recommendation and with prior (at least one day before the test/exam) permission of the Instructor-in-Charge/Instructor. Make-up application via sms/messages is not acceptable.



9. Academic Honesty and Integrity Policy: Academic honesty and integrity are to be maintained by all the students throughout the semester and no type of academic dishonesty is acceptable.

Instructor-in-Charge
ECON F214

