

| Course Type | Course Code | Name of Course | L | T | P | Credit |
|-------------|-------------|-----------------------------------|---|---|---|--------|
| IC | MSI 101 | Engineering Economics and Finance | 2 | 0 | 0 | 6 |

Course Objective

This course will help students to understand the significance of financial management and deal with how corporations make financial decisions and how such financial decisions add value to the corporation. This course would broadly deal with the fundamental concepts, decisions, and practices associated with financing decisions.

To introduce basic concepts of economics and finance, with emphasis on using the tools to perform economic evaluation and financial analysis.

Learning Outcomes

Upon successful completion of this course, students will:

- shall be able to understand the basics and fundamentals of financial management
- be able to appreciate the usefulness of financial information for decision making and equipped with tools to make financial decisions in the firms
- shall be able to understand the basic economics concepts
- shall be able to develop the economic way of thinking
- be able to apply economic models in their decision making

| Unit No. | Topics to be Covered | Lecture Hours | Learning Outcome |
|----------|--|---------------|---|
| 1 | Introduction to Financial Management and Understanding of Basic Financial Statements: Overview of Financial Management, Finance Functions, Sources of Finance, Balance Sheet, Profit and Loss Statement, Funds Flow Statement | 5 | To understand the basic of financial management and the process of financial decision-making using financial statements |
| 2 | Types of Costs & Costs Categorization and Break Even Analysis : Cost Concept & Classifications and their importance in business, Concept of Break even point, Break Even Analysis | 3 | To familiarize the student with the concept of cost management in the business and equipped with tools to analyze the break even point of companies |
| 3 | Time Value of Money and Basics of Capital Budgeting: Concept of Time Value of Money, Future and Present value of money, Investment Decisions, Discounted cash flow methods, Non-discounted cash flow methods | 5 | To make student conversant with the selection of the possible profitable capital projects through capital budgeting methods |
| 4 | Introduction to Economics: Scarcity and allocation of resources, Distinction between Microeconomics and Macroeconomics, , Economic Systems, Marginal Analysis | 2 | Understanding the genesis of the concepts of economics, two main branches of economics, Economic systems- capitalist, communist, mixed. |
| 5 | Economic Growth and Development: Definition and Indicators of Economic Growth and Development, Distinction between economic growth and development | 2 | Understanding the concepts and indicators of economic growth and development, limitations of measures of growth and difference between the two concepts |
| 6 | Inflation and Recession: Definition, causes, effects Inflation and Recession, Measures of inflation (WPI, and CPI) | 1 | Understanding the concepts, causes and effects of inflation and recession in an economy |
| 7 | Taxation: Basic concept of Taxation, Direct and Indirect taxes, Concepts and Implications of Goods and Services Tax (GST) | 2 | Understanding basic principles behind taxation, direct and indirect taxes, provisions and implications of GST |
| 8 | Consumer Behaviour Analysis: Utility- cardinal and ordinal approach, law of diminishing marginal utility, | 2 | Understanding the difference between need and want, utility and its role in consumers purchase decision. |

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| | indifference curve, budget constraints, consumer equilibrium | | |
| 9 | Supply and Demand Analysis: Demand and Supply curve, price adjustment, market equilibrium | 2 | Understanding main building blocks of supply and demand analysis, the concept of market equilibrium, the impact of changes in exogenous variables on demand and supply |
| 10 | Decision Making under Risk and Uncertainty: Meaning of risk and uncertainty, preferences toward risk- risk averse, risk neutral, and risk lover | 2 | Describing risk and uncertainty, preferences toward risk, reducing risk- diversification, insurance. |

| Evaluation Components | 50 Marks |
|-----------------------|----------|
| Unit 1– 3 | |
| Mid-Sem | 15 Marks |
| End-Sem | 25 Marks |
| Attendance | 10 Marks |

The distribution of 10 marks for attendance will be as follows:

75% attendance – 0
 >75% and up to 80% - 2
 >80% and up to 85% - 4
 >85% and up to 90% - 6
 >90% and up to 95% - 8
 >95% and up to 100% - 10

| Evaluation Components | 50 Marks |
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| Unit 4 – 10 | |
| Mid-Sem | 14 Marks |
| End-Sem | 21 Marks |
| 2 Quizes (multiple-choice questions) - average marks will be considered for evaluation | 15 Marks |

Text Books:

1. Financial Management- I M Pandey, Vikas Publishing
2. Finance Sense - Prasanna Chandra, Tata Mc Graw Hill (CFM-TMH Professional Series in Finance)
3. Principles of Macroeconomics by N. Gregory Mankiw
4. Microeconomics (8th Edition) – Robert S. Pindyck and Daniel L. Rubinfeld, Pearson
5. Economics for Dummies- Peter Antonioni and Sean Masaki Flynn, Wiley