

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject	:	B.A (Hons.) Economics, Sixth Semester (2018) DSE
Course	:	(xiii) Money and Financial Markets
Date of Meeting	:	Wednesday 10 th January, 2018, 3.00 P.M
Venue	:	Department of Economics, Delhi School of Economics University of Delhi, Delhi –110007
Chair	:	Prof. Pami Dua

Two meetings were held on:
8.5.17 at 2.00 pm and
10.1.18 at 3.00 pm.

A Sub-Committee of the following teachers was formed to finalise the topic-wise reading list:

1. Manisha Vats (Coordinator)
2. Anand Mittal
3. Hema Kapur
4. Rituranjan
5. Sonia Goel
6. Lokendra Kumawat
7. Abdul Rahim Ansari

Attended by:

S.No.	Name	College
1	Hema Kapur	Hansraj College
2	Manisha Vats	Miranda House
3	Anjana Singh	Lady Shri Ram College
4	D. Appala Naidu	ARSD College
5	Sarweshwar Kumar Gautam	Satyawati College
6	Rachna Mathur	Shaheed Bhagat Singh College (M)
7	Chhavi Gautam	College of Vocational Studies
8	Aisha Ahmed	Daulat Ram College
9	Prabhjot Kaur	IP College
10	Priti Arora	Maitreyi College
11	Ankit Joshi	Sri Venkateswara College
12	Gaganpreet Kaur	SGTB Khalsa College
13	Taruna Rajora	Dyal Singh College
14	Geeta Rani	Dyal Singh College
15	Rituranjan	SRCC
16	Madhuri Pal	Deshbandhu College

17	Trisha Jolly	Janki Devi Memorial College
18	Smriti Walia	Lakshmibai College
19	Jasmine Jha	Zakir Husain Delhi College (M)
20	Neetu Khullar	Dyal Singh College (M)
21	Abdul Rahim Ansari	Hindu College
22	Astha Ahuja	Aryabhata College
23	Lokendra Kumawat	Ramjas College

Internal Assessment and Final Exam

Marks allocation in the final exam question paper would be as follows:

Maximum marks: 75

The internal Assessment would be a total of 25 which would comprise 5 marks for attendance and 20 marks for two class tests of 10 marks each or 1 project work in lieu of one class test.

It was decided that for the Semester examination there would be an open choice to attempt any 5 questions out of 8.

The following suggestions were made for the Topic wise Reading List:

TOPIC 1

MONEY: Concept, Functions, Measurement, Theories of Money Supply Determination

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|--------------------|--|
| 1. Baye and Jansen | Chapter 1 (p. 2 – 27); Chapter 14 (p. 465-486) |
| 2. N Jadhav | Chapter 2 Section 2.1, (p. 18 –25);
Section 2.3 (p. 37-45); Annexure 2.1 |
| 3. RBI Report | Money Supply Analytics and Methodology
of Compilation 1998 chapter 2 (p. 11-17) |

TOPIC 2

FINANCIAL INSTITUTIONS, MARKETS, INSTRUMENTS AND FINANCIAL INNOVATIONS:

a) Role of Financial Markets and Institutions; problems of asymmetric information – adverse selection and moral hazard, financial crisis

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| 1. Mishkin & Eakins | Chapter 15 (p. 369 – 396) |
| 2. M Y Khan | Chapter 1 |
| 3. Fabozzi et al. | Chapter 1 (p. 1-6) and Chapter 2 (p. 21-27) |
| 4.. Baye and Jansen | Chapter 5 (p. 153-161) |

b) Money and Capital Markets; Organization, Structure and Reforms in India; Role of Financial Derivatives and Other Innovations

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|------------------|---|
| 1. M Y Khan | Chapter 9 (9.29-9.32) |
| 2. Bhole | Chapter 5 (p. 137-146) |
| 3. Fabozzi et al | Chapter26 (p. 496 -504)
Chapter27 (p. 517-529)
Chapter30 (p. 577 - 580) |

TOPIC 3

INTEREST RATES: Determination, Sources of interest rates differentials, Theories of term structure of interest rates ; interest rates in India

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| 1. Baye & Jansen | Chapter 8 (p. 236-251) Chapter 9 (p. 274-294) and Chapter 10 |
| 2. RBI Report, October 4, 2017 | ‘Report of the Internal Study Group to Review The Working of the Marginal Cost of Funds Based Lending Rate System’, Reserve Bank of India, September, 2017; Chapter 1 (p. 1-2) and Chapter 2 (p. 5-7). |

TOPIC 4

BANKING SYSTEM:

a) Balance Sheet and Portfolio Management

b) Indian Banking System. Changing Role and Structure, Banking Sector Reforms

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|--------------------------|---|
| 1. Sengupta and Vardhan | Non-performing Assets in Indian Banks, EPW, Vol. 52, Issue No. 12, 25 Mar, 2017, Money, Banking and Finance 2017 |
| 2. RBI | Glossary, Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2012, July 2, 2012. |
| 3. RBI Bulletin Oct 2012 | Basel III in International and Indian Context by D.Subbarao Reprinted in Indian Financial Reforms edited by Uma Kapila. |

TOPIC 5

CENTRAL BANKING AND MONETARY POLICY

Functions, Balance Sheet Goals, Targets, Indicators and instruments of monetary control, monetary management in an open economy, current monetary policy of India

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| 1. Baye & Jansen | Chapter 19 (p. 666-687, 692-693, 697-705) |
| 2. Jadhav | Chapter 6.2
Chapter 9.3 - except 9.3.7
Chapter 11.2 – 11.2.3 |
| 3. M.Y.Khan | Chapter 9 (9.1 - 9.10, 9.12-9.13) |

4. A.Vasudevan Reflections on Analytical Issues in Monetary Policy, EPW, Vol.52, Vol. 52, Issue No. 12, 25 Mar, 2017
Money, Banking and Finance 2017
5. Annual Report of RBI 2015 -16 Chapter 3: Box III.1 and III.2 (p. 44, p.50)
6. Annual Report of RBI 2016 -17 Chapter 3
7. Monetary Policy https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752

READINGS

1. F.S.Mishkin and S.G. Eakins Financial Markets and Institutions, Pearson Education, 6 th Edition, 2011
2. F.J .Fabozzi, F.Modigliani, F. J Jones, M.G Ferri Foundations of Financial Markets and Institutions Pearson Education, 3rd Edition , 2009
3. M.R.Baye and D.W.Jansen Money, Banking and Financial Markets AITBS, 1996
4. L.M .Bhole and J. Mahakud Financial Institutions and Markets Tata McGraw Hill, 5th Edition, 2011
5. M. Y.Khan Indian Financial System Tata McGraw Hill, 7th Edition 2011
6. N. Jadhav Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006
7. RBI Report, October 4, 2017 ‘Report of the Internal Study Group to Review The Working of the Marginal Cost of Funds Based Lending Rate System’, Reserve Bank of India, September, 2017,
<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=878>
8. RBI Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998 Annual Report; Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2011; RBI Bulletin; Report of Currency and Finance (latest).
9. R. Sengupta and H.Vardhan <http://www.epw.in/journal/2017/12/money-banking-and-finance/non-performing-assets-indian-banks.html>