

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject : B.A (Hons.) Economics, Sixth Semester (2018)
Course : 24—Money and Financial Markets
Date of Meeting : Monday 8th May, 2017, 2.00 P.M
Venue : Department of Economics, Delhi School of Economics
University of Delhi, Delhi –110007
Chair : Prof. Pami Dua

Attended by:

S. No.	Name	College
1	Hema Kapur	Hans Raj College
2	Dr. Rituranjan	SRCC
3	Manisha Vats	Mirands House
4	Sonia Goel	Ramjas
5	Meenakshi Sharma	Sri Venkateshwar College
6	D. Appala Naidu	Sri Venkateshwar College
7	Ankit Joshi	IP College
8	Abdul Rahim Ansari	Hindu College
9	Suvojit L Chakravarty	Aryabhata College
10	Jyoti Prakash Verma	Hans Raj College
11	Trisha Jolly	JDMC
12	Rajeev Parashar	Lady Shree Ram Colege
13	Indu Choudhary	Kalindi
14	Neetu Khullar	Dyal Singh (M)
15	Rachna Mathur	SBSC (M)
16	Dr. Anand Mittal	Hans Raj College

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

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.

Extra Reading for Teachers only

It was decided that chapters 3, 4 and 5 of Mishkin and Eakins... 6th edition 2011 may be evaluated by the teachers for consideration for inclusion as reference material in the future.

Note that this reading is recommended for teachers only and no specific question should be based upon this in the examination.

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 pp 2 - 27; Chapter 14 (465-486) |
| 2. N Jadhav | Chapter 2 Section 2.1, pp (18 –25);
Section 2.3 pp (37-45); Annexure 2.1 |
| 3. RBI Report | Money Supply Analytics and Methodology
of Compilation 1998 chapter 2 pp(11-17) |
| 4. RBI Report | Macroeconomic Impact of Demonetisation,
pp(1-3, 5, 12,15-20,27-28,42-44),
A Preliminary Assessment, RBI, March10, 2017 |

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 pp(369 – 396) |
| 2. M Y Khan | Chapter 1 |
| 3. Fabozzi et al. | Chapter 1, pp(1-6) and Chapter 2, pp(21-27) |
| 4.. Baye and Jansen | Chapter 5 pp (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 pp (137-146) |
| 3. Fabozzi et al | Chapter26 pp (496 -504)
Chapter27 pp (517-529)
Chapter30 pp (577 - 580) |

TOPIC 3

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

1. Baye & Jansen Chapter 8 pp (236-251) Chapter 9 pp (274-294) and chapter 10
2. Annual report of RBI 2011 -12 Box III.1 Base Rate System: An Assessment

TOPIC 4

BANKING SYSTEM:

a) Balance Sheet and Portfolio Management

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

1. RBI Bulletin Sep 2013 Banking Structure in India –Looking Ahead by Looking back, Article by D. Subbarao
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.
4. Sengupta and Vardhan Non-performing Assets in Indian Banks, EPW, Vol. 52, Issue No. 12, 25 Mar, 2017, Money, Banking and Finance 2017

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

1. Baye & Jansen Chapter 19 (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
6. Monetary Policy https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752
8. First Bi-monthly Monetary Policy Statement, 2017-18 Resolution of the Monetary Policy Committee (MPC), Apr 6, 2017, Reserve Bank of India

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 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).
8. RBI Report Macroeconomic Impact of Demonetisation, A Preliminary Assessment, RBI, March10, 2017
9. R. Sengupta and H.Vardhan <http://www.epw.in/journal/2017/12/money-banking-and-finance/non-performing-assets-indian-banks.html>