

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject	:	B.A (Programme), Fifth Semester (2017), CBCS
Course	:	Money and Banking
Date of Meeting	:	Tuesday 9 th 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:

<u>Sr. No.</u>	<u>Name of the Teacher</u>	<u>College</u>
1	Gurpreet Kaur	Mata Sundri College
2	Shavna Seth	Dyal Singh College (M)
3	Manisha Vats	Miranda House
4	Hema Kapur	Hansraj College
5	Devendra Kumar	JDMC
6	Ankit Joshi	IP College
7	Deepika Goel	Aryabhata College
8	Abdul Rahim Ansari	Hindu College
9	Abdul Rasheed C K	Hindu College

A Sub-Committee of the following teachers was formed:

1. Manisha Vats (Coordinator)
2. Hema Kapur
3. Sonia Goel
4. Abdul Rahim Ansari

For the 100 marks paper, there would be

75 marks: University Exam

25 marks: Internal Assessment (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 wise Reading List
Money and Banking
B.A. (Programme)**

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 (37-43); 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. 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 (137-143) |
| 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

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|----------------------------------|---|
| 1. Baye & Jansen | 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 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

1. Baye & Jansen Chapter 19 (666-687, 692-693, 697-705)
2. Jadhav Chapter 9, section 9.2
3. M.Y.Khan Chapter 9 (9.1 - 9.2)
4. Annual Report of RBI 2015 -16 Chapter 3

READINGS

1. F.S.Mishkin and S.G. Eakins Financial Markets and Institutions, Pearson Education, 6 th Edition, 2009
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; RBI Bulletin, Report of Currency and Finance (latest)
8. RBI Report Macroeconomic Impact of Demonetisation, A Preliminary Assessment, RBI, March10, 2017

