Minutes of Meeting

Subject : B.A (Hons.) Economics, Sixth Semester (2020)
Course  : (xiii)—Money and Financial Markets
Date of Meeting : Wednesday, 15th January, 2020, 3.00 P.M
Venue   : Department of Economics, Delhi School of Economics
          University of Delhi, Delhi –110007
Chair    : Prof. Pami Dua

Attended by:

1. Henna Sikka Delhi College of Arts & Commerce
2. Kanika Goyal College of Vocational Studies
3. Hema Kapur Hansraj College
4. Sumit Singh Motilal Nehru College
5. Amit Kr. Jha Sri Venkateshwara 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

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

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

1. M Y Khan Chapter 9 (9.29-9.32)
2. Bhole Chapter 5 (p.137-146)
3. Fabozzi et al Chapter 26 (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

1. Baye & Jansen Chapter 8 (p.236-251) Chapter 9 (p.274-294) and chapter 10
3. RBI Illustrative Methodology for the Computation of the Base Rate : pg 4-5.
   https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BRF090410_AN.pdf

TOPIC 4

BANKING SYSTEM:

a) Balance Sheet and Portfolio Management
b) Indian Banking System, Changing Role and Structure, Banking Sector Reforms

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

2. Jadhav Chapter 6.2
   Chapter 9.3 - except 9.3.7
   Chapter 11.2 – 11.2.3
   Money, Banking and Finance 2017
5. Annual Report of RBI 2015 -16 Chapter 3, Box III.1 and III.2 (p. 44, p.50)

READINGS

6. N. Jadhav Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006
8. RBI ‘Illustrative Methodology for the Computation of the Base Rate
https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BRF090410_AN.pdf

                          https://rbidocs.rbi.org.in/rdocs/notification/PDFs/PRUDENTIALB20DA810F3E148B099C13C2457FBF8C.PDF