

DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI

**Minutes of Meeting**

<b>Subject</b>	:	B.A (Hons.) Economics, Fifth Semester (2014 )
<b>Course</b>	:	24—Money and Financial Markets
<b>Date of Meeting</b>	:	Thursday 31 <sup>st</sup> July ,2014, 2.00 P.M
<b>Venue</b>	:	Department of Economics, Delhi School of Economics University of Delhi , Delhi –110007
<b>Chair</b>	:	Prof. Pami Dua

**Attended by:**

- 1 Ms .Manisha Vats, Miranda House
- 2 Dr. Anand Mittal, Hans Raj College
- 3 Ms. Hema Kapur, Hans Raj College
- 4 Dr. Rituranjan, Shri Ram College of Commerce
- 5 Ms. Meera Malhan, DCAC
- 6 Ms. Anjana Singh, Lady Shri Ram College
- 7 Ms .Deepika, Lady Shri Ram College
- 8 Ms. Pooja Verma, Shivaji College
- 9 Mr. Abhishek Rai Indraprasth College
- 10 Ms Shilpi Saini Kalindi College
- 11 Ms. Vijayini Roy Lakshmi Bai College
- 12 Ms Sangya Ranjan Satyawati College (E)
- 13 Ms Shreya Dhall, Jesus and Mary College
- 14 Ms Neetu Khullar, Dyal Singh College
- 15 Ms Malini Sharma, Daulat Ram College
- 16 Mr. A. Sunil Dharan, Motilal Nehru College
- 17 Mr Mukesh. K Meena, Ramjas College
- 18 Kulwinder Kaur, SGTB Khalsa College
- 19 Ms Suman Rani, Shyam Lal College (M).

A Sub-Committee of the following teachers was formed:

1. Ms. Manisha Vats, Miranda House (Coordinator)
2. Dr. Anand Mittal, Hans Raj College
- 3 Ms. Hema Kapur, Hans Raj College
4. Dr. Rituranjan, Shri Ram College of Commerce
5. Ms. Shreya Dhall, Jesus and Mary College

For the 100 marks paper, there would be

75 marks : University Exam

25 marks : Internal Assessment (5 marks are for attendance and 20 marks for two class tests of 10 marks each )

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 pp 2 - 27; Chapter 14   |
| 2..N Jadhav        | Chapter 2 Section 2.1, pp ( 18 –25);<br>Section 2.3 pp ( 37-45); Annexure 2.1     |
| 3. RBI Report      | Money Supply Analytics and Methodology<br>of Compilation 1998 chapter 2 pp(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 pp( 369 – 396) |
| 2. M Y Khan         | Chapter 1                 |
| 3. Fabozzi et al.   | Chapter 1 and Chapter 2   |
| 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**

- |                 |   |
|-----------------|---|
| 1. M Y Khan     | Chapter 9 ( 9.13 -9.32)   |
| 2. Bhole        | Chapter 5 pp (137-147)  |
| 3.Fabozzi et al | Chapter26 pp (496 -504)<br>Chapter27 pp (517-529)<br>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 8 pp (236-251) Chapter 9 and chapter 10        |
| 2. Annual report of RBI 2011 -12 | Box III.1 Base Rate System:An Assessment               |
| 3. RBI Bulletin Sep 2013         | Interest Rates and Economic Activity by Deepak Mohanty |
- Article reprinted in Vol 2 The Emerging Big Picture- Making sense of India's Economy  
Edited by Uma Kapila

## **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 Article Banking Structure in India –Looking Ahead by Looking back by D .Subbarao
2. M Y Khan Chapter12 (12.56-12.57)
3. RBI Bulletin Oct 2012 - Basel 111 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
2. Jadhav Chapter 6.2 - 6.3 - except 6.3.1  
Chapter 9.2 - 9.3 - except 9.3.7  
Chapter 11.2 – 11.2.4
- 3.M.Y.Khan Chapter 9 (9.1 - 9.13)
4. Annual Report of RBI 2013 -14 Chapter 3
5. Rakesh Mohan Chapter 8 pp (271 – 276 )

## **READINGS**

- 1 F.S.Mishkin and S.G. Eakins Financial Markets and Institutions, Pearson Education,6 th Edition ,2009
- 2F.J .Fabozzi, F.Modigliani Foundations of Financial Markets and Institutions ,F,J Jones,M.G Ferri Pearson Education .3<sup>rd</sup> Edition , 2009
- 3.M.R.Baye and D.W.Jansen Money, Banking and Financial Markets AITBS ,1996
- 4.Rakesh Mohan Growth with Financial Stability-Central Banking in an Emerging Market,Oxford University Press ,2011
- 5.L.M .Bhole and J Mahakud Financial Institutions and Markets Tata McGraw Hill,5<sup>th</sup> Edition,2011
- 6.M.Y.Khan Indian Financial System Tata McGraw Hill,7<sup>th</sup> Edition 2011
- 7.N. Jadhav Monetary Policy,Financial Stability and Central Banking in India Macmillan,2006
- 8.RBI Report of the Working Group:Money Supply Analytics and Methodology of Compilation,1998 Annual Report, RBI Bulletin, Report of Currency and Finance (latest)