Minutes of Meeting

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

Attended by:

1. Ms. Manisha Vats, Miranda House
2. Dr. Anand Mittal, 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
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); 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)

**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
3. Fabozzi et al.
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
   - Chapter 26 pp (496 -504)
   - Chapter 27 pp (517-529)
   - Chapter 30 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 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 
   Bank Structure in India – Looking Ahead by Looking back by D. Subbarao
2. M Y Khan 
   Chapter 12 (12.56-12.57)
   Basel II 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)
   Chapter 3
5. Rakesh Mohan 
   Chapter 8 pp (271 – 276)

READINGS

1. F.S. Mishkin and S.G. Eakins 
2. F.J. Fabozzi, F. Modigliani, F.J. Jones, M.G. Ferri 
3. M.R. Baye and D.W. Jansen 
   Money, Banking and Financial Markets, AITBS, 1996
4. Rakesh Mohan 
5. L.M. Bhole and J Mahakud 
6. M.Y. Khan 
7. N. Jadhav 
   Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006
8. RBI 