DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI

Minutes of Meeting

Subject : B.A (Hons.) Economics, Sixth Semester (2016)  
Course : 18 Money and Financial Markets  
Date of Meeting : Wednesday 13th January, 2016, 3.00 P.M  
Venue : Department of Economics, Delhi School of Economics  
         University of Delhi, Delhi –110007  
Chair : Prof. Pami Dua

Attended by:

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<tr>
<th>No.</th>
<th>Name</th>
<th>College/Institution</th>
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<td>1</td>
<td>D. Brahma Reddy</td>
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<td>2</td>
<td>Sonia Goel</td>
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<td>Dorothy</td>
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<td>Rakesh Kumar</td>
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<td>Riturajan</td>
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<td>Rashmi Kumar</td>
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<td>Chitra Verma</td>
<td>Kirorimal College</td>
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<td>30</td>
<td>Manisha Vats</td>
<td>Miranda House</td>
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For the 100 marks paper, there would be
75 marks: University Exam
25 marks: Internal Assessment (10 marks for class test and 15 marks for project work)

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 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)
   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 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
**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. M Y Khan  
   Chapter 12 (12.56-12.57)

   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)

   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  
   Foundations of Financial Markets and Institutions  

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  
   Financial Institutions and Markets  

6. M.Y.Khan  
   Indian Financial System  

7. N. Jadhav  
   Monetary Policy, Financial Stability and Central Banking in India  
   Macmillan, 2006

8. RBI  