Minutes of Meeting

Subject : B.A (Hons.) Economics, Fifth Semester (2016)
Course  : 22 E —Money and Financial Markets
Date of Meeting : Thursday 5th May, 2016, 11.00 A.M
Venue   : Department of Economics, Delhi School of Economics
           University of Delhi, Delhi –110007
Chair    : Prof. Pami Dua

Attended by:

<table>
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<tr>
<th>S.No.</th>
<th>Name of Teacher</th>
<th>College</th>
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<tr>
<td>1</td>
<td>Suvojit T.L. Chakravarty</td>
<td>Aryabhatt College</td>
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<td>2</td>
<td>Hema Kapur</td>
<td>Hansraj</td>
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<td>3</td>
<td>Venu Gupta</td>
<td>Hansraj</td>
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<td>4</td>
<td>Manzoor Alam</td>
<td>ARSD College</td>
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<td>5</td>
<td>Dipak Prakash</td>
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<td>6</td>
<td>Rituranj</td>
<td>SRCC</td>
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<td>7</td>
<td>Nidhi Gupta</td>
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<td>8</td>
<td>Srishty Kasana</td>
<td>IP College (W)</td>
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<td>9</td>
<td>Surobhi Mukherjee</td>
<td>St. Stephen College</td>
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<td>10</td>
<td>Pawan Rohilla</td>
<td>Ramjas College</td>
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<td>11</td>
<td>Malini Sharma</td>
<td>DRC</td>
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<td>12</td>
<td>Meenakshi Sinha Swami</td>
<td>MSC</td>
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<td>13</td>
<td>Sushant Kumar Singh</td>
<td>LSR</td>
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<td>14</td>
<td>Sonia Goel</td>
<td>Ramjas</td>
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<td>15</td>
<td>Manisha Vats</td>
<td>Miranda House</td>
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<td>16</td>
<td>Rajesh Kumar</td>
<td>Satyawati College</td>
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<td>17</td>
<td>Anand Mittal</td>
<td>Hansraj</td>
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<td>18</td>
<td>D.B. Reddy</td>
<td>S.V. College</td>
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A Sub-Committee of the following teachers was formed to finalise the topic-wise reading list:

1. Manisha Vats (Coordinator)
2. Anand Mittal
3. Hema Kapur
4. Rituranj
5. Brahma Reddy
6. Sonia Goel

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.

**Extra Reading for Teachers only**

It was decided that chapters 3, 4 and 5 of Mishkin and Eakins... 6th edition 2011 may be evaluated by the teachers for consideration for inclusion as reference material in the future.

Note that this reading is recommended for teachers only and no specific question should be based upon this in the examination.

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 (465-486)
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  
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

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  
   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 6.2 - 6.3 - except 6.3.1  
   Chapter 9.2 - 9.3 - except 9.3.7  
   Chapter 11.2 – 11.2.3
3. M.Y.Khan  
   Chapter 3
5. Deepak Mohanty  
   How does the Reserve Bank of India conduct its Monetary Policy? August 12, 2011 (available on rbi.org.in)
READINGS

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