

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject	:	B.A (Hons.) Economics, Fifth Semester (2016)
Course	:	22 E —Money and Financial Markets
Date of Meeting	:	Thursday 5 th 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:

S.No.	Name of Teacher	College
1	Suvojit T.L. Chakravarty	Aryabhatt College
2	Hema Kapur	Hansraj
3	Venu Gupta	Hansraj
4	Manzoor Alam	ARSD College
5	Dipak Prakash	ASRD College
6	Rituranjan	SRCC
7	Nidhi Gupta	SRCC
8	Srishty Kasana	IP College (W)
9	Surobhi Mukherjee	St. Stephen College
10	Pawan Rohilla	Ramjas College
11	Malini Sharma	DRC
12	Meenakshi Sinha Swami	MSC
13	Sushant Kumar Singh	LSR
14	Sonia Goel	Ramjas
15	Manisha Vats	Miranda House
16	Rajesh Kumar	Satyawati College
17	Anand Mittal	Hansraj
18	D.B. Reddy	S.V. College

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. Rituranjan
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

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|--------------------|---|
| 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

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|---------------------|---------------------------|
| 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

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|------------------|---|
| 1. M Y Khan | Chapter 9 (9.13 -9.19, 9.21, 9.24-9.32) |
| 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

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 Glossary, Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2012, July 2, 2012.
3. RBI Bulletin Oct 2012 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 9 (9.1 - 9.10, 9.12-9.13)
4. Annual Report of RBI 2014 -15 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

1. F.S.Mishkin and S.G. Eakins Financial Markets and Institutions, Pearson Education, 6 th Edition, 2011
2. F.J .Fabozzi, F.Modigliani, F. J Jones, M.G Ferri Foundations of Financial Markets and Institutions Pearson Education .3rd Edition , 2009
3. M.R.Baye and D.W.Jansen Money, Banking and Financial Markets AITBS, 1996
4. L.M .Bhole and J. Mahakud Financial Institutions and Markets Tata McGraw Hill, 5th Edition, 2011
5. M.Y.Khan Indian Financial System Tata McGraw Hill, 7th Edition 2011
6. N. Jadhav Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006
7. RBI Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998 Annual Report; Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2011; RBI Bulletin; Report of Currency and Finance (latest).