

DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI

**Minutes of Meeting**

<b>Subject</b>	:	B.A (Hons.) Economics, Third Semester (2016)
<b>Course</b>	:	Money and Banking - General Elective in Economics
<b>Date of Meeting</b>	:	Thursday 5 <sup>th</sup> May, 2016, 11.00 A.M
<b>Venue</b>	:	Department of Economics, Delhi School of Economics University of Delhi, Delhi –110007
<b>Chair</b>	:	Prof. Pami Dua

**Attended by:**

<b>S. No.</b>	<b>Name of Teacher</b>	<b>College</b>
1	Manisha Vats	Miranda House
2	Sushant Kr. Singh	LSR
3	Animesh Kumar	Kamla Nehru College
4	Rakesh Kumar	ARSD
5	Shruti	Lakshmibai College
6	Pawan Rohilla	Ramjas College
	Meenakshi Sinha	
7	Swami	Mata Sundari College
8	Reena Bajaj	Sriaurobindo College
9	Pemala Lama	Bharati College
10	Loveleen Gupta	Bharati College

A Sub-Committee of the following teachers was formed:

1. Manisha Vats (Coordinator)
2. Hema Kapur
3. Sonia Goel

For the 100 marks paper, there would be

75 marks: University Exam

25 marks: Internal Assessment (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.

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);<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**

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|---------------------|---------------------------|
| 1. Mishkin & Eakins | Chapter 15 pp( 369 – 396) |
| 2. M Y Khan         | Chapter 1                 |
| 3. 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 -9.19, 9.21, 9.24-9.32)                                       |
| 2. Bhole         | Chapter 5 pp (137-143)  |
| 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 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**

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|-----------------------------|--|
| 1. RBI Bulletin Sep 2013    | Banking Structure in India –Looking Ahead by Looking back<br>Article by D .Subbarao  |
| 2. RBI Bulletin April, 2012 | Implications of Basel III for capital, liquidity and<br>profitability of Banks by B. Mahapatra Reprinted in Indian<br>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**

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|----------------------------------|--|
| 1. Baye & Jansen                 | Chapter 19 (666-687, 692-693, 697-705) |
| 2. Jadhav                        | Chapter 9.2 - 9.3 - except 9.3.7       |
| 3. M.Y.Khan                      | Chapter 9 (9.1 - 9.10, 9.12-9.13)      |
| 4. Annual Report of RBI 2014 -15 | Chapter 3                              |

### **READINGS**

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