

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject	:	B.A (Hons.) Economics, Third Semester (2016)
Course	:	Money and Banking - General Elective in Economics
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	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);
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. 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 (137-143) |
| 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

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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
Article by D .Subbarao |
| 2. RBI Bulletin April, 2012 | Implications of Basel III for capital, liquidity and
profitability of Banks by B. Mahapatra 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

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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

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| 1. F.S.Mishkin and S.G. Eakins | Financial Markets and Institutions,
Pearson Education, 6 th Edition, 2009 |
| 2. F.J .Fabozzi, F.Modigliani,
F,J Jones, M.G Ferri | Foundations of Financial Markets and Institutions
Pearson Education .3 rd 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, 5 th Edition, 2011 |
| 5. M.Y.Khan | Indian Financial System
Tata McGraw Hill, 7 th 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; RBI Bulletin, Report of Currency
and Finance (latest) |