

DEPARTMENT OF ECONOMICS
DELHI SCHOOL OF ECONOMICS
UNIVERSITY OF DELHI

Minutes of Meeting

Subject : B.A (Hons.) Economics, Sixth Semester (2022)
Course : Money and Financial Markets (HE-65), DSE
Date of Meeting : Tuesday 11th January, 2022, 2.00 P.M
Venue : Online ZOOM Meeting
Chair : Prof. Pami Dua

Attended by:

1.	Hema Kapur	Hansraj College
2	Trisha Jolly	JDMC
3	Priti Mendiratta Arora	Maitreyi College
4	Deepali	Shyama Prasad Mukherji College for women
5	Chandan Kumar Sharma	Ramanujan College
6	Malini Sharma	Daulat Ram College
7	Chitra Verma	Kirorimal college
8	Indu Choudhary	Kalindi College
9	Vaibhav Puri	SGGSCC
10	Apoorva Gupta	Ramjas College
11	D. Brahma Reddy	Sri Venkateswara College
12	Meera Malhan	DCAC
13	Astha Ahuja	Aryabhatta College
14	Rakesh Kumar	Dyal Singh College (Day),
15	Juhi Lohani Harjani	Deshbandhu college
16	Jagadish Konthoujam	Shivaji College
17	Animesh Kumar	Kamala Nehru College
18	Vibha Iyer	Zakir Husain Delhi College
19	Suman Rani	Shyam Lal College

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.

Note: In view of the pandemic and OBE, the criteria for grading may be as per the university norms.

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 (p 2 – 27); Chapter 14 (p.465-486) |
| 2. N Jadhav | Chapter 2 Section 2.1, (p.18 –25);
Section 2.3 (2.3.1 to 2.3.6) (p.37-45);
Annexure 2.1 |
| 3. RBI Report | Money Supply Analytics and Methodology
of Compilation 1998 chapter 2 (p.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. M Y Khan | Chapter 1 |
| 2. Fabozzi et al. | Chapter 2 (p.23-26) |
| 3. Baye and Jansen | Chapter 5 (p.153-161) |
| 4. Mishkin & Eakins | Chapter 15 (p 369 – 396) |

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 (9.29-9.32) |
| 2. Bhole | Chapter 5 (p.137-146) |
| 3. Fabozzi et al | Chapter26 (p.496 -504)
Chapter27 (p.517-529)
Chapter30 (p.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 8 (p.236-251) Chapter 9 (p.274-294) and
chapter 10 |
| 2. RBI Report, October 4, 2017 | ‘Report of the Internal Study Group to Review
The Working of the Marginal Cost of Funds Based
Lending Rate System’, Reserve Bank of India,
September, 2017; Chapter 1, (p.1-2) and Chapter 2,
(p.5-7). |

- 3.RBI Illustrative Methodology for the Computation of the Base Rate : pg 4-5.
https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BRF090410_AN.pdf

TOPIC 4

BANKING SYSTEM:

a) Balance Sheet and Portfolio Management

b) Indian Banking System. Changing Role and Structure, Banking Sector Reforms

1. Sengupta and Vardhan Non-performing Assets in Indian Banks, EPW, Vol. 52, Issue No. 12, 25 Mar, 2017, Money, Banking and Finance 2017
2. RBI RBI , Notification on Prudential Framework for Resolution of Stressed Assets, June 7, 2019, pg1-3.
3. RBI Glossary, Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2012, July 2, 2012.
4. 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
Chapter 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. P. Dua Monetary Policy Framework in India, Indian Economic Review, Vol. 55, Issue 1, June 2020, Pages 117–154
<https://link.springer.com/article/10.1007/s41775-020-00085-3>
5. Annual Report of RBI 2015 -16 Chapter 3, Box III.1 and III.2 (p. 44, p.50)
6. Annual Report of RBI 2020 - 21 Chapter 3
7. Monetary Policy https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752

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, October 4, 2017 ‘Report of the Internal Study Group to Review The Working of the Marginal Cost of Funds Based Lending Rate System’, Reserve Bank of India, September, 2017,
<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=878>
8. RBI ‘Illustrative Methodology for the Computation of the Base Rate L: pg 4-5.
https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BRF090410_AN.pdf
9. 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).
10. P. Dua Monetary Policy Framework in India, Indian Economic Review, Vol. 55, Issue 1, June 2020
11. R. Sengupta and H.Vardhan <http://www.epw.in/journal/2017/12/money-banking-and-finance/non-performing-assets-indian-banks.html>
12. RBI RBI , Notification on Prudential Framework for Resolution of Stressed Assets, June 7, 2019.
<https://rbidocs.rbi.org.in/rdocs/notification/PDFs/PRUDENTIALB20DA810F3E148B099C113C2457FBF8C.PDF>