

DEPARTMENT OF ECONOMICS  
DELHI SCHOOL OF ECONOMICS  
UNIVERSITY OF DELHI

**Minutes of Meeting**

**Subject** : B.A (Hons.) Generic Elective Economics, Semester III/V/VII  
**Course** : Money and Banking (GE 8) - ECON 062  
**Date of Meeting** : Friday 11<sup>th</sup> August, 2023, 2.00 P.M  
**Venue** : 104 Meeting room  
**Chair** : Dr Devesh and Dr Swati

A meeting of the teachers was held and it was decided to constitute a sub-committee to recommend the topic-wise reading list:

A Sub-Committee of the following teachers was formed

1. Dr. Pragya Nayyar
2. Prof. Ankur Bhatnagar
3. Dr. Saumya Shukla
4. Dr Srishty Kasana
5. Abdul Rahim Ansari
6. Mausami Mohanty

The following recommendations were made by the subcommittee:

**UNIT 1**

**MONEY: Concept, Functions, Measurement, Computation of Money Supply and Theories of Money Supply Determination**

- Baye and Jansen Chapter 1 (pg. 2 – 14); Chapter 14 (pg. 465-482)
- RBI Report II Money Supply Analytics and Methodology of Compilation 1998, chapter 2 (pg. 11-17)

**UNIT 2**

**FINANCIAL MARKETS An introduction; Role of Financial Markets and Institutions; problems of asymmetric information adverse selection and moral hazard, financial crisis, Financial markets; Organization, Structure and Reforms in India;**

- Mishkin & Eakins Chapter 15 (pg. 369 – 395)
- Rakesh Mohan & Partha Ray, Indian Financial Sector: structure, trends & turns, Stanford Center for International Development. Sept 2016 (pg. 1-16)

**UNIT 3**

**INTEREST RATES: Determination, Sources of interest rates differentials, Theories of term structure of interest rates ; interest rates in India**

- Baye & Jansen Chapter 10
- RBI Report I, 'Report of the Internal Study Group to Review The Working of the Marginal Cost of Funds Based Lending Rate System', Reserve Bank India, September, 2017; Chapter 1(pg. 1-2) and Chapter 2 (pg. 5-9)

**UNIT 4**

**CENTRAL BANKING AND MONETARY POLICY**

**Central Bank: Functions and Balance Sheet; Monetary Policy: Targets and instruments, Monetary management in an open economy; Monetary Policy Framework in India: Evolution and current scenario, critical evaluation  
Digital currency: implications and emerging issues in Indian economy**

- RBI Report III: Functions & Working, impacting every sector of the economy and touching every life.' Ch 1, 2 and 3 (till pg 27)
- N. Jadhav Chapter 2 (section 2.3.3 only)
- Baye & Jansen Chapter 19 (pg. 666- 697)
- Central Bank Digital Currency – Is This the Future of Money, Keynote address delivered by Shri T Rabi Sankar, Deputy Governor, Reserve Bank of India, 22 June 2021. Available at : [https://m.rbi.org.in/Scripts/BS\\_SpeechesView.aspx?id=1111](https://m.rbi.org.in/Scripts/BS_SpeechesView.aspx?id=1111)

**Internal Assessment and Final Exam**

Marks allocation in the final exam question paper would be as follows:

Maximum marks: 90

**Internal Assessment:** 30 marks - 6 marks for attendance and 24 marks can be allotted across 2 (12 marks each) topic wise test/assignments.

**Continuous Assessment:** 40 marks- 5 marks attendance and 35 for CA, which can take the form of group or individual work on projects/ presentations/synopsis that deal with the topics in the paper.

**Guidelines for Paper examiners:**

The students may be asked to answer 5 ques of 18 marks each, out of a total of 8 questions.

Students get an open choice to attempt any 5 questions out of 8.

Each question may have 2 parts of 6 marks and 12 marks respectively.

**General notes:**

1. Numerical questions can be asked for Unit I only, keeping in view limited mathematical base of students from non-Economics backgrounds
2. Questions on data reproduction from readings are to be avoided.
3. Questions on reproduction of various Acts are to be avoided
4. Questions based on case studies are to be avoided.

**READINGS**

- F.S.Mishkin and S.G. Eakins Financial Markets and Institutions, Pearson Education,6<sup>th</sup> Edition, 2011.
- M.R.Baye & D.W.Jansen: Money, Banking and Financial Markets AITBS, 1996
- N. Jadhav Monetary Policy, Financial Stability and Central Banking in India, Macmillan,2006
- P. Dua Monetary Policy Framework in India, Indian Economic Review, Vol. 55, Issue 1, June 2021
- Rakesh Mohan & Partha Ray Indian Financial Sector: structure, trends & turns, Stanford Center for International Development. Sept 2016
- \*F J Fabozzi et al (2010) Foundations of Financial Markets and Institutions, 4<sup>th</sup> edition, Pearson, 2010
- \*Ghate, & Kletzer, (Ed.) Monetary policy in India: A modern macroeconomic perspective. Springer.2016

**RBI reports:****RBI Report I**

‘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,  
Available at

<https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=87>

**RBI Report II**

RBI: FUNCTIONS & WORKING, impacting every sector of the economy and touching every life. Ch 1, 2 and 3 (till page 27)

Available at: <https://rbidocs.rbi.org.in/rdocs/Content/PDFs/FUNCWWE080910.pdf>

**RBI Report III**

Money Supply Analytics and Methodology of Compilation, Working group report , 1998.  
Available at

[https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CR361\\_1998137B6A06B4154858847F449866C0E86E.PDF](https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CR361_1998137B6A06B4154858847F449866C0E86E.PDF)

\*These readings are recommended for teachers.