

Department of Economics
University of Delhi, Delhi

Minutes of Meeting

Subject : Common Pool of GE ECON062
Semester : III/V
Course : Money and Banking – ECON062
Date & Time: 13-May at 3:00 PM
Venue : Department of Economics
Chair : Satyendra Gupta and Swati Saini

The meeting was attended by the following teachers:

1	Mausumi Mohanty	Sri Venkateswara College
2	Amulya Kumar Sahoo	Spm College
3	Arun kumar	Maitreyi College
4	Yogesh Malhotra	Sri Venkateswara College
5	Mausumi Mohanty	Sri Venkateswara College
6	Dr. Rakesh Kumar	Motilal Nehru College
7	Sonia Goel	Ramjas College
8	Dr Pragya Nayyar	Shaheed Bhagat Singh College
9	Uttam Kumar	Arsd College
10	D. Brahma Reddy	Sri Venkateshwara College

It was unanimously decided in the meeting that no prerequisites are needed for this paper.

Reading list:

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 rate; 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

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 Examiners:

The students may be asked to answer 5 questions of 18 marks each, out of a total of 7 questions. Students get an open choice to attempt any 5 questions out of 7.

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,6th 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, 4th 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

*These readings are recommended for teachers.