

Syllabus for Economics Major VIII (Semester 4th)

Programme/ Class Degree: BA	Year -2 : Semester-IV		Major 402
Subject: Economics (Major) Paper-VIII			
Course Code:	Course Title: Money, Banking and Finance		
Course Objective:	<ul style="list-style-type: none"> • To impart the knowledge about the concept of money, banking, and theories of money. • To analyze the operation of Monetary Policy of India • To analyze the mode of Digital Payments in India • To study the role of Central Bank in the development of the country. 		
Course Outcome:	<ul style="list-style-type: none"> • To understand the different aspects of demand for money and supply of money. • To examine the role and relevance of Banking. • To understand the progress of e-payment mechanism in India. • To understand the working of the monetary policy of the Central Bank of a Country • To understand the concepts of investment, financing and role of financing 		
Credits: 04			
Full Marks: 100	Minimum Pass Marks: 40		
Unit	Topics	No. of Lectures	
Unit-I: Money	<p>Concept of Money: Forms, Functions and Significance of Money; Concept of Monetary Standards: Metallic Standard, Gold Standard and Paper Standard;</p> <p>Supply of Money: Sources of Money Supply, Measures of Money Supply in India, Concepts of High Powered Money and Money Multiplier – Determinants of Money Supply.</p> <p>Demand for Money: Fisher's Version of Cash Transactions Approach, Cambridge Version of Cash Balances Approach, Keynesian Approach.</p>	10	
Unit-II: Banking	<p>Banking: Meaning and Types of Banks, Types of Deposits – Savings, Current, Fixed and Recurring.</p> <p>Commercial Banking: Functions, Process of Credit Creation and Its Limitations, Credit Multiplier.</p> <p>Modern Functions of Banks (Concepts): Internet Banking, Mobile Banking -Types of Cards: Credit Cards, Debit Cards, Smart Cards, ATM Cards - Personal Identification Number (PIN); Electronic Fund Transfer - Electronic Clearing Services, NEFT, RTGS, and IFSC.</p>	10	

Unit-III: Central Banking	<p>Concepts: Central Bank, Difference between Central bank and Commercial Bank, Bank Rate, Open Market Operations, Cash Reserve Ratio, Statutory Liquidity Ratio, Credit Ceiling, Moral Suasion, Repo Rate, Reverse Repo Rate.</p> <p>Functions of Central Bank, Quantitative and Qualitative Methods of Credit Control.</p> <p>Monetary Policy: Instruments of Monetary Policy of the Central Bank of a Country; Monetary Policy during Inflation; Current Monetary Policies Adopted by Reserve Bank of India (RBI).</p>	10
Unit-IV: Finance	<p>Role of financial markets, Financial instruments, Basic theory of interest; discounting and present value; Asset pricing- internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity</p> <p>Random asset returns; portfolios of assets; portfolio mean and variance; feasible combinations of mean and variance; mean-variance portfolio analysis, Concept of Stock market and derivatives, Corporate Finance</p>	10
<p>Suggested Readings:</p> <ol style="list-style-type: none"> 1. Suraj B. Gupta, <i>Monetary Economics: Institutions, Theory and Policy</i>, S. Chand & Co., New Delhi. 2. D N Dwivedi, <i>Macroeconomics: Theory and Policy</i>, Tata McGraw-Hill Publishing Company Limited, New Delhi. 3. Thomas E. Copeland, J. Fred Weston and Kuldeep Shastri, <i>Financial Theory and Corporate Policy</i>, Prentice Hall, 4th edition, 2003. 4. D. M. Mithani, <i>Money, Banking, International Trade and Public Finance</i>, Himalaya Publishing House, New Delhi. 5. R. R. Paul, <i>Monetary Economics</i>, Kalyani Publishers, New Delhi. 6. Panchanan Das, Anindita Sengupta, Swapan Samanta, <i>Economics II</i>, Oxford University Press, New Delhi. 7. Joydeb Sarkhel, <i>Adhunik Arthanitir Bhumika</i>, Vol.2, Book Syndicate Private Limited, Kolkata. 		