

BA III Year	BEC-E502: Discipline Specific Elective (Money and Banking)		Semester 5
Marks Allotted for Internal Assessment	Marks Allotted for End Semester Examination (ESE)	Maximum Marks	Total Credits
30	70	100	6
<p>Learning Outcomes: Student will be able to</p> <ul style="list-style-type: none"> • Understand the theory and functioning of the monetary and financial sectors of the economy. • Recognize the organization, structure and role of financial markets and institutions. • Assess the efficacy of tools like interest rates, monetary management and instruments of monetary control. • Comprehend various financial and banking sector reforms and monetary policy with special reference to India. 			
Unit 1	MONEY: Concept, functions, measurement; theories of money supply determination.		
Unit 2	FINANCIAL INSTITUTIONS, MARKETS, INSTRUMENTS, AND FINANCIAL INNOVATIONS: Role of financial markets and institutions; financial crises, money and capital markets: organization, structure and reforms in India; role of financial derivatives and other innovations.		
Unit 3	INTEREST RATES: Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.		
Unit 4	BANKING SYSTEM: Balance sheet and portfolio management, Indian banking system: Changing role and structure; banking sector reforms.		
Unit 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.		
<p>Suggested Readings:</p> <ul style="list-style-type: none"> • F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009. • F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009. • Rakesh Mohan, Growth with Financial Stability- Central Banking in an Emerging Market, Oxford University Press, 2011. • L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011. • N. Jadhav, Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006. 			

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