

Shyama Prasad Mukherji College
Teaching Plan

Course and Year: GE(Hons) II Year (2022-23)

Semester: Semester III

Taught individually or shared: Individually

Paper: Money and Banking

Faculty: Vishakha Sharma

No. of Classes (per week): 5L+2T

UNIT 1: MONEY: Concept, Functions, Measurement, Theories of Money Supply Determination

Prescribed Reading:

- Baye, M.R., & Jansen, D.W. (1996). *Money, Banking and Financial Markets AITBS*. Ch. 1, pp 2 - 27; Ch. 14, pp 465-486
- Jadhav, N. (2006). *Monetary Policy, Financial Stability and Central Banking in India*. Macmillan. Ch. 2 Section 2.1, pp 18 –25; Section 2.3 pp 37-45; Annexure 2.1
- Reserve Bank of India. (1998). *Report of the Working Group: Money Supply Analytics and Methodology of Compilation*. Annual Report; RBI Bulletin, Report of Currency and Finance. Ch. 2, pp 11-17

Number of classes required: 5 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion.

UNIT 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.**

Prescribed Reading:

- Mishkin, F.S. & Eakins, S.G. (2009). *Financial Markets and Institutions*, Pearson Education, (6 th ed.). Ch. 15 pp 369 – 396
- Khan, M.Y. (2011). *Indian Financial System*. Tata McGraw Hill, (7th ed.). Ch. 1
- Baye, M.R., & Jansen, D.W. (1996). *Money, Banking and Financial Markets AITBS*. Ch. 5, pp 153-161

Number of classes required: 10-12 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Relevant Reserve Bank of India statistics is shared from official website links to familiarize students with the database on Indian economy.

b) Money and Capital Markets; Organization, Structure and Reforms in India; Role of Financial Derivatives and Other Innovation

Prescribed Reading:

- Khan, M.Y. (2011). *Indian Financial System*. Tata McGraw Hill, (7th ed.). Ch. 9
- Bhole, L.M. & Mahakud, J. (2011). *Financial Institutions and Market*, Tata McGraw Hill, (5th ed.). Ch. 5 pp 137-143
- Fabozzi, F.J., Modigliani, F., Jones, F.J. & Ferri, M.G. (2009). *Foundations of Financial Markets and Institutions*, Pearson Education, (3rd ed.). Ch. 26, pp 496 -504; Ch. 27, pp 517-529; Ch. 30, pp 577 – 580

Number of classes required: 10-12 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Relevant Reserve Bank of India statistics is shared from official website links to familiarize students with the database on Indian economy.

UNIT 3: INTEREST RATES: Determination, Sources of interest rates differentials, Theories of term structure of interest rates ; interest rates in India

Prescribed Reading:

- Baye, M.R., & Jansen, D.W. (1996). *Money, Banking and Financial Markets AITBS*. Ch. 10
- Reserve Bank of India. (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. 1-12) and Chapter 2(p. 5-7).

Number of classes required: 10-12 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Relevant Reserve Bank of India statistics is shared from official website links to familiarize students with the database on Indian economy.

UNIT 4: BANKING SYSTEM:

a) Balance Sheet and Portfolio Management

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

Prescribed Reading:

- Sengupta and Vardhan (2017). Non-performing Assets in Indian Banks, EPW, Vol. 52, Issue No. 12, 25 Mar, 2017, Money, Banking and Finance.
- Reserve Bank of India (2012-13). Glossary, Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2012.
- Subbarao, D. (2012). Implications of Basel III for capital, liquidity and profitability of Banks. *RBI Bulletin*. Reprinted in Indian Financial Reforms edited by Uma Kapila

Number of classes required: 10-12 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Relevant Reserve Bank of India statistics is shared from official website links to familiarize students with the database on Indian economy.

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

Prescribed Reading:

- Baye, M.R., & Jansen, D.W. (1996). *Money, Banking and Financial Markets AITBS*. Ch. 19, pp 666-687, 692-693, 697-705
- Jadhav, N. (2006). *Monetary Policy, Financial Stability and Central Banking in India*. Macmillan. Ch. 9.2-9.3 - except 9.3.7
- Dua, P. (2020). *Monetary Policy Framework in India*, Indian Economic Review. Vol. 55, Issue 1, June 2020, Pages 117–154.
- Reserve Bank of India. (2015 -16). Annual Report. *RBI Bulletin*. Chapter 3: Box III.1 and III.2 (p. 44, p.50).
- Reserve Bank of India. (2015 -16). Annual Report. *RBI Bulletin*. Chapter 3: Monetary Policy Operations.
- Monetary Policy. https://www.rbi.org.in/scripts/FS_Overview.aspx?fn=2752.

Number of classes required: 15- 16 Classes

Methodology of teaching: Lectures and tutorials. A Whatsapp group is created for regular communication and problem-solving discussion. Relevant Reserve Bank of India statistics is shared from official website links to familiarize students with the database on Indian economy.

Additional Readings

- Luenberger, G. D. (2012). *Investment Science*.. Indian edition.

- Basu, Sankarshan. & Hull, John C. (2013). Options, Futures and Other Derivatives (8th ed.). Pearson Education, Inc.
- Reilly, K. F., Brown, C. K & Leeds, J. S. (2018). Investment Analysis and Portfolio Management (11th Edition). Cengage Publishers
- Mayo, B. H . Investments: An Introduction (11th Edition). Cengage Publishers
- Bodie, Kane & Marcus. Investment (10th Edition). Tata McGraw Hill Company Limited.

The additional books would be referred to clarify the basic concepts of investment and derivative markets wherever additional information is required. Students would be encourage to refer to the additional books to understand the basic concepts of investment like NPV, discounting, debt market, yield etc. and practise numerical on derivate markets.

ASSESSMENT

Tentative date of assessments/ assignments (time frame):

- Test 1: Scheduled in Third week of September.
- Mid-Semester break Assignment
- Test 2: second week of October

Criteria of Assessment: The students are assessed on comprehension and clarity of concepts based on learning and application.

I have adhered to the above-mentioned teaching plan and have completed the course on time

VISHAKHA SHARMA