

Department of Economics

ARSD College, University of Delhi

Lesson Plan

Course Name : ECO(H) Money and Financial Markets				
Semester	Course Code	Course Title	Lecture (L)	Tutorial (T)
VI	Eco(H) 12277606	Money and Financial Markets	4	2
Teacher/Instructor(s)		Mr. UTTAM KUMAR		
Session		2021-22		

Course Description:

This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.

Lesson Plan:

Unit No.	Learning Objective	Lecture No.	Topics to be covered
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1.	Money: Concept and function, Supply Of Money	1.	Meaning of money, Definitions of money.
		2	Function of money
		3	Origin of money: commodity money, metallic money, paper money, credit money.
		4	Properties of money
		5	Conclusion
		6	Evolution of Banks
		7	A general model of money creation.
		8	Components of money supply
		9	Concept of money supply
		10	Money supply process, money multiplier approach in India
		11	Determinants of money supply
		12	Money supply curve
		13	Measures of money supply: weighted monetary aggregates
		14	Compilation of monetary aggregates.
		15	Conclusion.
2.	Financial Institution and Markets	16	Introduction
		17	Financial Intermediaries.
		18	Financial markets and Institution
		19	Financial Assets / instruments

		20	Problems of asymmetric information: Adverse problem, moral Hazard.
		21	Financial sector Reform.
		22	Financial futures markets.
		23	Financial crisis
3.	Theory of Interest Rates.	24	The time value of money
		25	Current yield and yield to maturity
		26	Bond price and interest rates
		27	The term structure of Interest rates: Yield curve
		28	The Expectation Hypothesis
		29	The Segmented – Markets Hypothesis
		30	The Preferred- Habtat Hypothesis
		31	Conclusion.
4.	Banking system, Central bank and RBI Reports	32	Non-performing Assets in Indian Banks
		33	Monetary Transmission: The base rate and the MCLR Systems
		34	RBI Report 2018-2019
		35	Glossary
		36	Basel III in International and Indian context.
		37	Introduction of monetary policy
		38	Targets of monetary policy
		39	Problems of monetary policy making
		40	Money markets organization in India
		41	Functions and roles of RBI
		42	RBI Reports.

Details of the Course		
Unit	Contents	Contact Hours
1	Money: Concept and function, Supply Of Money	15
2	Financial Institution and Markets	8
3	Theory of Interest Rates	8
4	Banking system and Monetary Policy and RBI Reports.	11
	Total	42
Suggested Books:		
Sl. No.	Name of Authors/Books/Publishers	Year of Publication/ Reprint
1	1. F.S. Mishkin and S.G. Eakins : Financial Markets and Institutions, Pearson Education, 6 th Edition, 2011	2011
2	. F.J .Fabozzi, F.Modigliani,: Foundations of Financial Markets and Institutions F. J Jones, M.G Ferri Pearson	2009

	Education, 3rd Edition , 2009	
3	M.R.Baye and D.W.Jansen: Money, Banking and Financial Markets AITBS, 1996	1996
4	L.M .Bhole and J. Mahakud : Financial Institutions and Markets Tata McGraw Hill, 5th Edition, 2011	2011
5	M.Y.Khan: Indian Financial System Tata McGraw Hill, 7th Edition 2011	2011
6	N. Jadhav :Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006	2006
7	<p>RBI Report, October 4, 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, https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=878 'Illustrative Methodology for the Computation of the Base Rate L: pg 4-5. https://rbidocs.rbi.org.in/rdocs/Content/PDFs/BRF090410_AN.pdf</p> <p>Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998 Annual Report; Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework – 2011; RBI Bulletin; Report of Currency and Finance (latest).</p> <p>RBI , Notification on Prudential Framework for Resolution of Stressed Assets, June 7, 2019</p>	2017 1998
8	P. Dua : Monetary Policy Framework in India, Indian	2020

	Economic Vol. 55, Issue 1, June 2020	Review,	
9	R. Sengupta and H.Vardhan http://www.epw.in/journal/2017/12/money-banking and finance/non-performing-assets-indian-banks.html		2017

Evaluation Scheme:

No.	Component	Duration	Marks
1.	Internal Assessment		25
	Quiz		
	Class Test		
	Attendance		
	Assignment		
2.	End Semester Examination	3 hr	75