

**Semester V**  
**ECODSC – 302**  
**Money, Banking & Finance**  
**Total Credit: 4**  
**Teaching Hours: 45 hours**

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**Course Description:**

The course is designed to make the students familiar with the basic concepts of money, banking and finance, which are critical for understanding the working and monetary performances of an economy.

**Course Outcome:**

After completing this course, the students are expected to learn about the functioning of financial and monetary systems of the economy. They are expected to become knowledgeable about the working of various money market and capital market instruments.

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**Unit 1: Introduction to Money**

Money-Meaning and Types, Measures of Money Supply (Old and Modern), Determinants of Money Supply, Concept of High-powered Money, H-Theory of Money Supply, Concept of Money Multiplier

**Unit 2: An Overview of Financial System**

Financial System - Meaning and Components, Financial Markets: Function, Structure and Importance, Meaning and Features of Money Market, Money Market Instruments, Meaning and Features of Capital Market, Capital Market Instruments.

**Unit 3: Commercial Banks**

Meaning and Functions of Banks, Types of Banking Systems, Credit Creation by Commercial Banks, Balance Sheet of a Bank, Portfolio Managements of Banks.

**Unit 4: Central Bank and Monetary Policy**

Meaning and Functions of Central Bank, Monetary Policy- Goals, Targets and Indicators, Criteria for Choosing Operating and Intermediate Targets, Various Methods of Credit Control with their Relative Merits and Demerits.

**Unit 5: Non-Bank Financial Intermediaries (NBFIs)**

Non-Bank Financial Intermediaries (NBFIs)-Meaning, Types and Functions, NBFIs vs Commercial Banks, Regulation of NBFIs.

**Suggested Readings:**

1. Jagdish Handa (2009), Monetary Economics, Routledge
2. Suraj B. Gupta (1982), Monetary Economics-Institutions, Theory and Policy, S. Chand and Company Ltd
3. R.R. Paul (2008), Monetary Economics, Kalyani Publishers
4. M.Y. Khan (2011) Indian Financial System, Tata McGraw Hill, 7<sup>th</sup> Edition
5. L.M. Bhole and J. Mahukud (2011), Financial Institutions and Markets, Tata McGraw Hill, 5<sup>th</sup> Edition