Course title: Money, Banking and Finance			
Course code: UEO 308	**No. ofcredits**:4	**L-T-P:**46-12-4	**Learning hours:**60
Pre-requisite course code and title: UEO-101-Principles of Economics			
Department: Department of Policy and Management Studies			
Course coordinator: Dr. Malvika Tyagi	**Course instructor:** Guest Faculty		
Contact details: malvika.tyagi@terisas.ac.in			
Course type: Core	**Course offered in:** Semester 6		
Course description: This course introduces the role of money and banking in the economy, covering theories of money supply and demand, monetary policy, and the functioning of the banking system. It examines how monetary factors influence interest rates, inflation, and overall economic activity.			
Course objective: 1. Examine and justify the role of money and banks as foundational pillars of modern market economies. 2. Understand the mechanisms that ensure the smooth functioning of money and financial markets. 3. To recognise that concepts in money and banking are dynamic which continually evolving.			
Course contents			

Module	Topics	L	T	P
1	**Introduction to Money** Concept, Functions, Measurement, Computation of Money Supply and Theories of Money Supply Determination	6	2	0
2	**The Theories of Demand and Supply of Money:** Theories of demand for money: Classical Keynesian and Monetarist. Theories of money supply; The H' Theory of money Supply; Money multiplier process and its determinants; Commercial banks and the money multiplier; Factors affecting 'H' RBI of money supply; Control of the money stock: Money stock and interest rates; monetary equilibrium: money in equilibrium and non-equilibrium states: Neutrality of money. Demonetization: concept, logic, impact.	8	2	0
3	**Financial Markets** Role of Financial Markets and Institutions; problems of asymmetric information adverse selection and moral hazard, financial crisis, financial markets; Organization, Structure and Reforms in India	6	2	0
4	**Interest Rates:** Determination, Sources of interest rates differentials, Theories of term structure of interest rates ; interest rates in India	6	2	0
5	**Central Banking and Monetary Policy** Central Bank: Functions and Balance Sheet and Portfolio Management Monetary Policy: Targets and instruments, Monetary management in an open economy; Monetary Policy Framework in India: Evolution and current scenario, critical evaluation	8	2	0
6	**Indian Money Market and International Financial Institutions:** India and NABARD. Reserve Bank of India (RBI); Its working, functions, performance and role in the economic development of India; RBI's monetary policy; International Financial Institutions IMF, IBRD (World Bank), Asian Development Bank (ADB). International Development Association (IDA)	8	2	4
7	**Banking without banks:** Bitcoin and distributed ledgers, Introduction to bitcoin and blockchain, Bitcoin and the future of banks (and central banks) Digital currency: implications and emerging issues in Indian economy	4	0	0
	Total (in hours)	46	12	4

Pedagogical approach:
Classroom teaching and problem-solving sessions.

Evaluation criteria:
1) Minor1: Assignment- 20% [Syllabus: 1-3, Learning outcomes: 1]
2) Minor 2: Written Examination - 30% [Syllabus: 4-6, Learning outcomes: 1-4]
3) Major: Written Examination -50% [Syllabus: Complete course, Learning outcomes: 1-4]

Learning outcomes:
At the end of the course, the students will be able to- (for all modules)
1) Explain the foundational role of money and banks in modern market economies, including their core functions and institutional significance.
2) Analyse the mechanisms, instruments, and policy frameworks that ensure the smooth and efficient functioning of money and financial markets.
3) Apply key concepts of money and banking to real-world financial scenarios, institutional developments, and policy debates.
4) Evaluate how evolving economic conditions, and regulatory reforms shape the changing landscape of money and banking.

Core readings:
1) Baye, M. R., & Jansen, D. W. (1995). Money, banking, and financial markets: An economics approach.
2) Mishkin, F. S. (2007). The economics of money, banking, and financial markets. Pearson education.

Module 1
3) Baye, M. R., & Jansen, D. W. *Managerial economics and business strategy* (Chapter 1; Chapter 14).
4) Reserve Bank of India. (1998). *Money supply, analytics and methodology of compilation*. Google Books

Module 2
5) Baye, M. R., & Jansen, D. W. (1995). Money, banking, and financial markets: An economics approach.

Module 3
6) Mishkin & Eakins- Chapter 1
7) Baye and Jansen -Chapter 5
8) Mohan, R., & Ray, P. (2016). Indian financial sector: Structure, trends & turns. Stanford Center for International Development

Module 4
9) Mishkin & Eakins Chapter 15
10) Mohan, R., & Ray, P. (2016). Indian financial sector: Structure, trends & turns. Stanford Center for International Development. (pg. 1-16)

Module 5
11) Reserve Bank of India. (n.d.). Functions and working, impacting every sector of the economy and touching every life (Report III, Chapters 1–3). Reserve Bank of India 3
12) Dua, P. (2023). Monetary policy framework in India. In Macroeconometric methods: Applications to the Indian economy (pp. 39–72). Springer Nature Singapore.
13) ▪ N. Jadhav Chapter 2
14) ▪ Baye & Jansen Chapter 19
15) Sankar, T. R. (2021, June 22). Central Bank Digital Currency – Is this the future of money? Reserve Bank of India.
16) Available at: https://m.rbi.org.in//Scripts/BS_SpeechesView.aspx?id=1111

Module 6
17) Ghate, C., & Kletzer, K. (Eds.). (2016). Monetary policy in India: A modern macroeconomic perspective. Springer.

RBI reports:
1) Thorat, U., & Subbarao, D. (n.d.). Essays. Reserve Bank of India.

Module 7
2) Sankar, T. R. (2021, June 22). Central Bank Digital Currency – Is this the future of money? Reserve Bank of India.
3) Available at : https://m.rbi.org.in//Scripts/BS_SpeechesView.aspx?id=1111
4) Narayanan, A., Bonneau, J., Felten, E., Miller, A., & Goldfeder, S. (2016). Bitcoin and cryptocurrency technologies: A comprehensive introduction. Princeton University Press.

Practical session- Microsoft Excel-based exercises for:Yield to Maturity, Link to Bond price, coupon rate, face value and maturity, Cash flow from fixed income assets, Net Present Value, Nominal and real interest rate calculation on RBI data,

Returns on fixed income assets, Interest rate risk,etc.

Additional readings:

1) Fabozzi, F. J., Modigliani, F., Jones, F. J., & Ferri, M. G. (2010). Foundations of financial markets and institutions (4th ed.). Pearson.
2) Ghate, C., & Kletzer, K. (Eds.). (2016). Monetary policy in India: A modern macroeconomic perspective. Springer.
3) Jadhav, N. (2006). Monetary policy, financial stability and central banking in India. Macmillan
4) Mishkin, F. S., & Eakins, S. G. (2011). Financial markets and institutions (6th ed.). Pearson Education.
5) Mohan, R., & Ray, P. (2016). Indian financial sector: Structure, trends & turns. Stanford Center for International Development.

RBI reports:

RBI Report I

1) 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. https://www.rbi.org.in/Scripts/PublicationReportDetails.aspx?UrlPage=&ID=87

RBI Report II

2) Reserve Bank of India. (n.d.). Functions and working, impacting every sector of the economy and touching every life (Chs. 1–3, up to p. 27). https://rbidocs.rbi.org.in/rdocs/Content/PDFs/FUNCWWE080910.pdf

RBI Report III

4) Reserve Bank of India. (1998). Money supply analytics and methodology of compilation (Working Group Report).https://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/CR361_1998137B6A06B4154858847F449866C0E86E.PDF

Student responsibilities: Attendance, Feedback, discipline: as per university rules.

Course prepared by: Prof Sukanya Das

Course reviewers:

- Prof Naveen Joseph Thomas, Jindal School of Government and Public Policy. O.P Jindal Global University
- Dr Anusree Paul, Associate Professor, Economics, UPES Dehradun