

SEMESTER - VI

Course No. BA ECO 0614

Course title: Money and Banking

Nature of Course: Core: Major/Minor

Number of credits: 4

Number of Lectures-Tutorial-Practical's: 50:08:02

Course Objective

This course is designed to analyze the impact of money on some of the economy's key variables such as interest rates, inflation, and the banking industry.

Learning Outcome

Students will learn the role of central and commercial banks in the process of money creation and control.

Unit Contents Allotted time (hours)

| Unit | Contents | Allotted time (hours) | | |
|------|--|-----------------------|---|---|
| | | L | T | P |
| 1 | MONEY: THEORY AND APPROACHES Money: Meaning, functions and classification, Role of money in capitalist, socialist and mixed economies, Monetary standards – Metallic and paper standards, system of note issues in India. | 13 | 2 | 0 |
| 2 | COMMERCIAL BANKING Banking: Meaning and types of Banks. Functions of Commercial banks. Process of credit creation. Purpose and limitations. Liabilities and assets of banks. Commercial banking in India. Nationalization of commercial banks in India. Recent reforms in banking sector in India. | 12 | 2 | 1 |
| 3 | CENTRAL BANKING Functions of Central Bank. Quantitative and qualitative methods of credit control: Bank rate policy, Open market operations, Cash reserve ratio and selective methods. Role and functions of the Reserve Bank of India. | 12 | 2 | 1 |
| 4 | MONEY AND CAPITAL MARKETS AND MONETARY POLICY Structure and importance of Money Market. Indian Money market, Indian Capital Market, Monetary Policy: objectives, Limitations of Monetary Policy with reference to India. | 13 | 2 | 0 |

Suggested Readings

1. Hajela, T.N., (2009) Money and Banking, Ane Books Pvt Ltd., New Delhi.
2. Sundharam KPM, Banking: Theory, Law and Practice, Sultan Chand and Sons, New Delhi (recent edition)
3. M.R. Baye, D.W. Jansen (1996), Money, Banking and Financial Markets, AITBS (Indian ed.)
4. K.C. Sekhar: Banking – Theory and Practice, Vikas Publishing House, New Delhi (recent edition).
5. S.B. Gupta, Monetary Economics, S. Chand Publications, New Delhi.
6. M.L. Seth, Monetary Economics, Vikas Publications, New Delhi
7. R.R. Paul, Money, Banking & International Trade, Kalyani Publications, Ludhiana.

III. COURSE EVALUATION

All Courses (Core, Elective, and GI & H courses) offered by Department of Economics will have an evaluation system that comprises of the following two components:

1. Continuous Comprehensive Assessment (CCA) accounting for 50% of the final grade that a student

gets in a course; and

2. End-Semester Examination (ESE) accounting for the remaining 50% of the final grade that the student gets in a course.

(Rule of thumb that applies is 25 Marks = 1 Credit.)

1. CONTINUOUS COMPREHENSIVE ASSESSMENT (CCA)

Continuous Comprehensive Assessment (CCA) will have following components:

| Sr. No. | Component | When | Marks |
|------------------------------|------------------------------------|--|-----------|
| A | Classroom Attendance* | During the Semester | 5 |
| B | Mid – Term Test – I# | After 48 teaching days(8 weeks) covering the syllabus covered so far | 15 |
| C | Mid – Term Test – II# | After 90 days teaching days(15 weeks) covering the syllabus after the first minor test | 15 |
| D | Seminar / Assignment / Term Paper# | During the semester | 15 |
| Grand Total (A+B+C+D) | | | 50 |

Note:

* For the Correspondence Courses and Distance Education Courses (through the ICDEOL of the HPU) this assessment can be made on the basis of the attendance in the Personal Contact Programme(s) (PCPs).

Marks for Attendance: below 75% = Zero (0) mark; 75% = 1 mark; 75 - 80% = 2 marks; 80 - 85% =3 marks; 85 - 90% = 4 marks & 95 - 100 % = 5 marks

For the Correspondence Courses and Distance Education Courses (through the ICDEOL of the HPU) this assessment can be made in an on-line mode through e-mail or other electronic mediums as per Distance Education Council, New Delhi guidelines.

2. END SEMESTER EXAMINATION (ESE)

The remaining 50% of the final grade of the student in a course will be assessed on the basis of an end semester examination (ESE) that will be for **three hours duration** and will cover the **entire syllabus** of the course.

The question paper for the ESE will be got set by the Controller of Examinations of the HPU by a panel comprising the following:

1. Two teachers in the subject of Economics from the colleges where the subject is being taught to be drawn in turn on the basis of seniority.
2. One teacher from the Department of Economics, P.G. Centre, Himachal Pradesh University to be nominated by the Chairperson of the said Department of the HPU.

The question paper will be moderated by a teacher from the Department of Economics, P.G. Centre, Himachal Pradesh University to be nominated by the Chairperson.

Academic Session June/July 2015 onwards:

Regarding revision in ESE & CCA for UG in Economics

It was decided that in place of the existing 50 + 50 marks distribution the following 70+30 marks distribution will apply as described hereunder:

- i) For students enrolled for academic session June/July 2015 and onwards CCA will account for 30% of the final grade that a student will get in a course. Breakup of 30% Marks will be as given below: (**See at Annex. II**)
 - a) Minor test = 15 Marks
 - b) Assignment/Seminar/Class test/Tutorial/Quiz = 10 Marks.
 - c) Attendance = 05 Marks

Total = 15+10+05 = 30 Marks
- ii) End semester Examination (ESE) will account for the remaining 70% marks for the final grade that a student secures in a course.
- iii) A student **will have to pass both** the components, i.e. CCA and ESE separately to become eligible to be declared successful in a course.

Remarks : **Approved**

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