

SEMESTER IV**GENERIC ELECTIVE****1 Paper****Total 100 x 1 = 100 Marks**

(Credits: Theory-05, Tutorial-01)

IV. GENERIC ELECTIVE (GE 4)**Marks : 100 (ESE 3Hrs) =100****Pass Marks Th ESE = 40*****Instruction to Question Setter for******End Semester Examination (ESE):***

There will be **two** group of questions. **Group A is compulsory** and will contain three questions. **Question No.1 will be very short answer type** consisting of ten questions of 1 mark each. **Question No.2& 3 will be short answer type** of 5 marks.

Group B will contain descriptive type six questions of 20 marks each, out of which any four are to answer.

Note: There may be subdivisions in each question asked in Theory Examinations.

MONEY BANKING AND PUBLIC FINANCE**Theory: 75 Lectures; Tutorial:15 Lectures****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.

Course Outline**1. Money**

Concept, functions, measurement; theories of money supply and determination.

2. Financial Institutions, Markets, Instruments and Financial Innovations

(a) Role of financial markets and institutions; financial crisis.

(b) Money and capital markets: organization, structure and reforms in India;

3. Interest Rates

Determination; source of interest rate differentials

4. Indian banking system

Changing role and structure; banking sector reforms.

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.

6. Theory of Taxation

Ability to pay, Benefit principle, Canons of taxation, shifting, Incidence and of Taxes.

7. Monetary and Fiscal policies, Direct-Tax, Indirect-Tax,(GST).Goods and Services Tax, Analysis of Budget.

Basic Readings:

- ☐ F.S. Mishkin and S.G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.
- ☐ F.J. Fabozzi, F. Modigliani, F.J. Jones, M.G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd Edition, 2009.
- ☐ L.M. Bhole and J. Mahukud, Financial Institutions and markets, Tata McGraw Hill, 5th edition, 2011.
- ☐ M.Y. Khan Indian Financial System, Tata McGraw Hill, 7th edition, 2011.
- ☐ Various latest issues of RBI Bulletins, Annual reports, Reports on Currency and Finance and reports of the working group, IMF Staff papers.