



## First Semester 2016-2017 Course Handout (Part-II)

Date : 02/08/2016

In addition to part I (General Handout for all courses appended to the time table) this portion gives further specific details regarding the course.

**Course No.** : ECON F312  
**Course Title** : Money, Banking and Financial Markets  
**Instructor-in-charge** : A K GIRI

**1. Course Description:**

Money and its functions; money market; foreign exchange market; financial market; financial derivatives; the banking firm; non-banking financial institutions; Indian banking; monetary transmission mechanisms; money and inflation; theory of rational expectations; central banking; determinants of money supply; tools, goals and targets of monetary policy; international monetary and financial system.

**2. Scope & Objective of the Course:**

The course aims at providing adequate exposure to the basic concepts and policy issues related to the working of the money and financial markets nationally and globally.

**3. Text Book:**

1. Mishkin, Frederic S and Stanley G Eakins, "Financial Markets and Institutions, Pearson Education, Sixth Edition, 2011.

**4. Reference Books:**

- 1) Paul Jastin and Padmalatha Suresh, "Management of Banking and Financial Services", Pearson Education, First Edition, 2007.
- 2) Mishkin Frederic S, "The Economics of Money, Banking and Financial Markets", Pearson Education (AW), Seventh Edition, 2004.
- 3) H.J. Johnson, Financial Institutions & Markets: A Global Perspective; McGraw Hill, 1993 (Int. edition.)
- 4) Jadhav Narendra, Challenges to Indian Banking: Competition, Globalisation & Financial Markets, (Union Bank of India, 1996, Macmillan India Ltd., 1996.

**5. Course Plan:**

No. of Lecturs	Learning Objective	Topic to be Covered	Reference (TB)
2	Overview, Composition and economic significance	Why Study Financial Markets and Institutions?	Chapter 1
2	Money & Capital Interface	Overview of the Financial System,	Chapter 2
3	Understanding Financial Markets	Why Do interest Rates Mean and What is Their Role in Valuation	Chapter 3
3	Understanding Financial Markets	Why do Interest Rate Change?	Chapter 4





4	Factors Affecting interest Rates	How do Risk and Term Structures affect interest Rates?	Chapter 5
2	To Study the Efficiency of Financial Markets	Are Financial Markets Efficient?	Chapter 6
2	Rational Expectation Hypothesis	Stock Market and Theory of Rational Expectations	Chapter 7 (R2), Notes
2	What is money, Money market instruments & Money supply	Money, Money Market and Money Supply Process	Chapter 9 and Chapter 15 (R2)
2	Money multiplier	Determinants of Money Supply	Chapter 16 (R2)
2	Conduct of Monetary Policy	Conduct of Monetary Policy: Tools, Goals and Targets	Chapter 8 and Chapter 17 and 18 (R2)
2	Transmission Mechanism	Transmission Mechanisms of Monetary Policy	Chapter 26 (R 2)
3	International Interface	Foreign Exchange Market	Chapter 13
2	International Risk Management.	International Financial System	Chapter 14
2	Banking business operations	Banking and Management of Financial Institutions	Chapter 17
2	Commercial Banking operations	Commercial Banking Industry: Structure and Competitions	Chapter 18
2	Risk Management	Risk Management in Financial Institutions	Chapter 24 and Chapter 9 (R2)
3	Types, designs and basis of financial derivatives	Hedging With Financial Derivatives	Chapter 25

6. **Home Assignments/Project:**

Aimed at familiarity with sources of data, analysis of data, forecasting and evaluation of economic problems and issues on Monetary, Banking and Financial Sector.

7. **Evaluation Scheme:**

Component	Duration	Weightage(%)	Date & Time	Remarks
Mid-Sem Test	90 mints	30	4/10 10:00 - 11:30 AM	<b>CB</b>
Continuous Evaluation		20		<b>CB</b>
Home assignments/ Projects		10		<b>Take Home</b>
Comp. Exam.	3 hrs.	40	3/12 FN	<b>Partly OB</b>

8. Chamber Consultation Hours: To be announced in class.

9. Notice concerning this course will be displayed on the **Economics & Finance Department** Notice Board.

Instructor-in-charge  
ECON F312

