

INDUSTRIAL ECONOMICS (Lecture I)

Economics (definition and explanation)

Commodity

Defn:

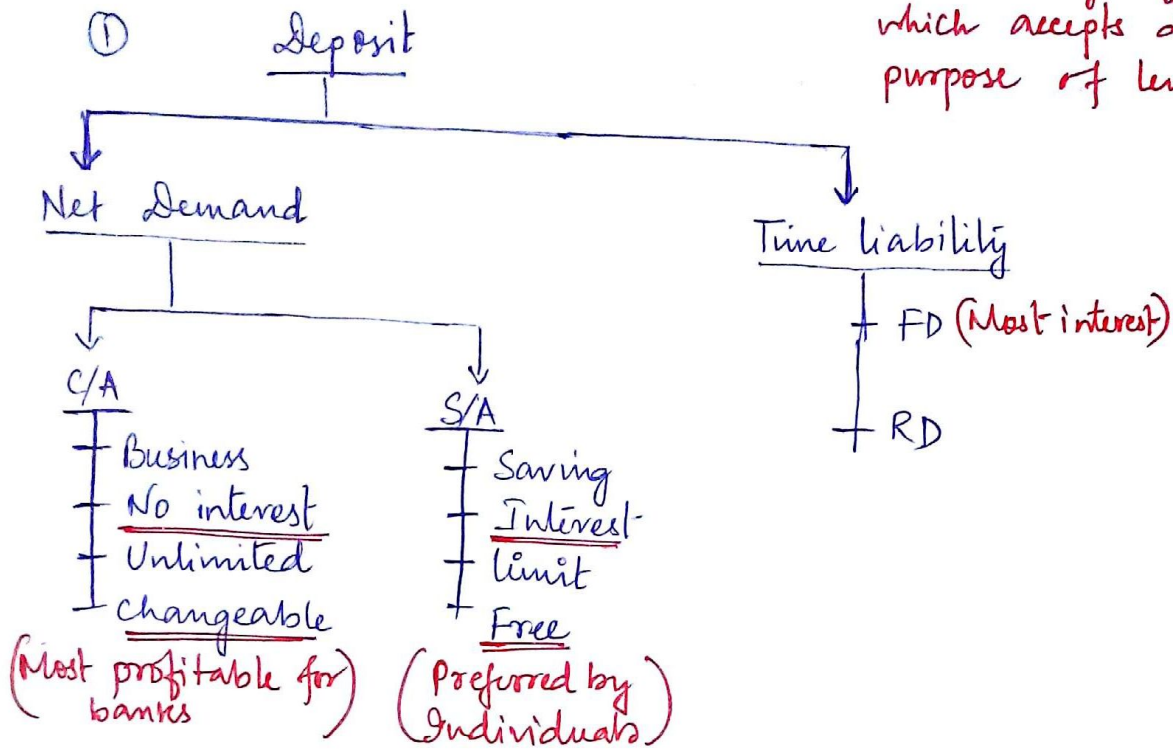
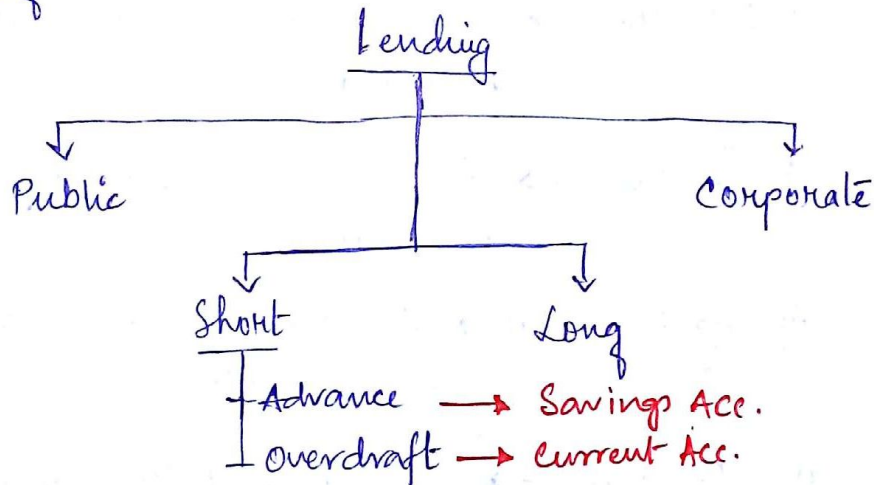
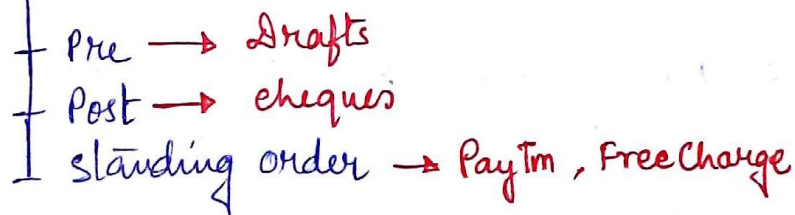
Types:

- i) Bullions → Highly payable commodities like gold and silver.
- ii) Ferrous → All tradeable metal are considered as ferrous.
- iii) Agricultural → All products related to agriculture and its side products are treated in this category.
- iv) Energy → Traditional (coal, petroleum) and Intraditional (solar, the hydel) sources of energy.
- v) Non-ferrous → All other non-metallic come under this category.

These are treated as commodities as they can be exchanged for money.

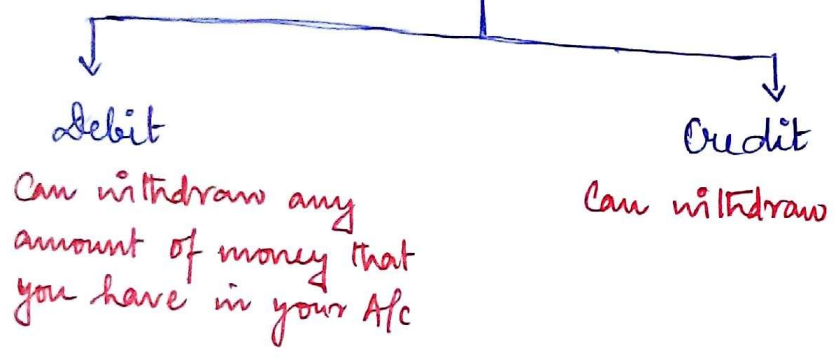
Section - IIMoney & Banking

Legal financial institutions which accept deposit for the purpose of lending & investment

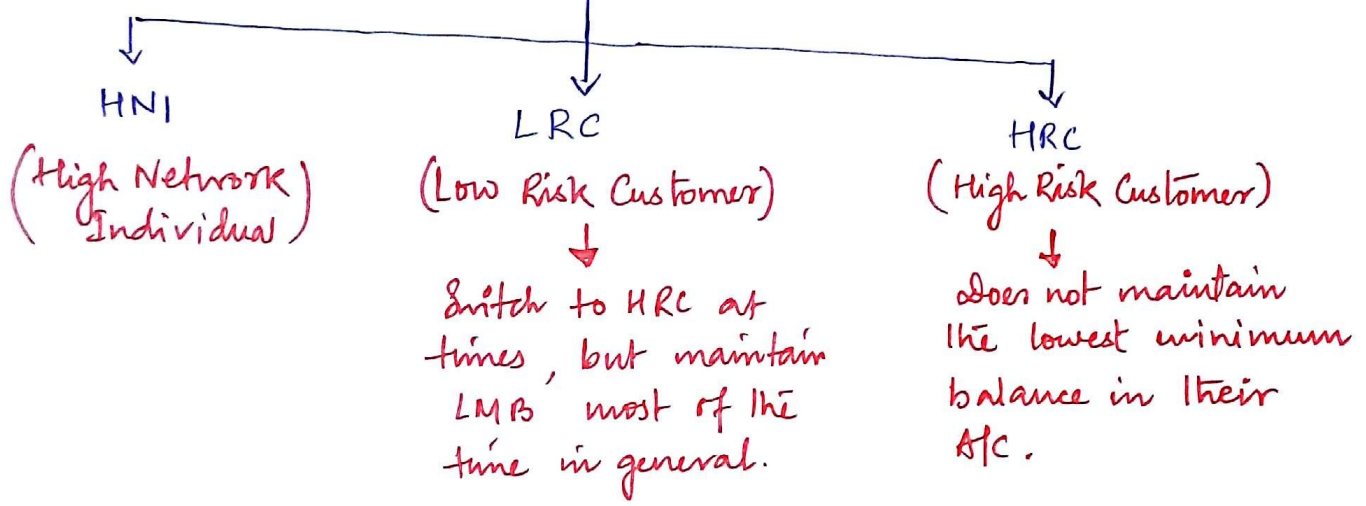
② Lending③ Payment facility

4.

Plastic Money



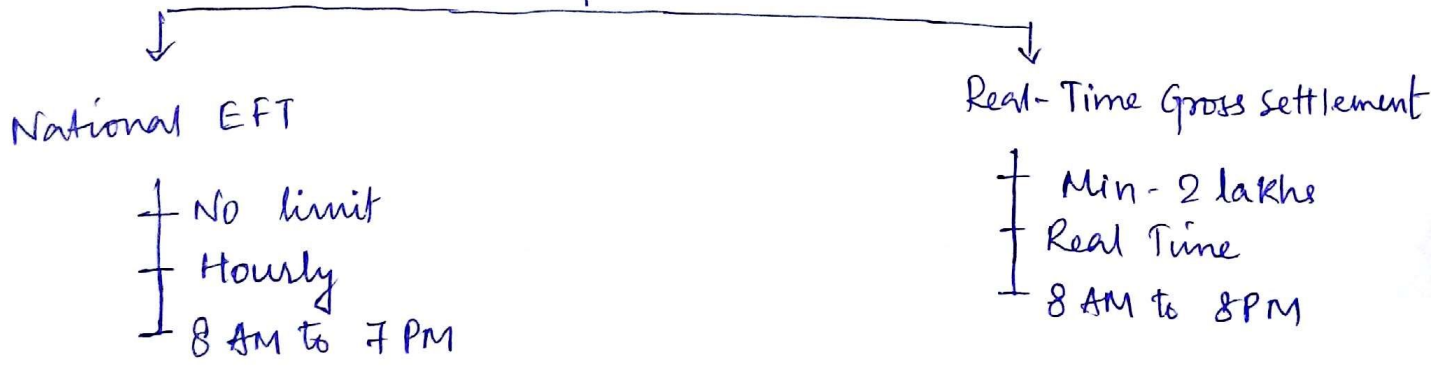
Customers of Plastic Money



⑤

EFT

(Electronic Fund Transfer)



- The RBI was recommended by Hilton Young committee in 1926
- RBI started functioning in 1935 (Pakistan, B. desh and Myanmar)
- " was nationalised in nineteen forty-nine (1949)
- Deputy governors of RBI (Tenure = 3 years)
 - ↳ S. S. Mundra, ↳ Viral Acharya; ↳ N. S. Biswanathan;
 - ↳ B. P. Quanguo
- RBI Branches in India
 - Mumbai, Kolkata, Chennai, Delhi
 - HQ
- Minimum Reserve System (adopted by RBI in 1956)

Any central bank has to maintain 200 crores of amount to print any denomination, in gold and foreign reserve.

	[115 cr gold
	or foreign currency]
- 300 crore rupees can be printed at a maximum by the RBI per month.
- BIS → Bank of International System Settlements, controls all central banks in the world

□ Different instruments of RBI to regulate money supply :

◦ The rate at which RBI provides loan to the commercial banks is called Bank Rate (currently 6.25% on 1st Sept, 2017)

◦ Repo Rate : The rate at which RBI provides short term loans to the commercial banks is called Repo Rate.
(currently 6%)

◦ Reverse Repo Rate : The rate at which RBI takes loans from commercial banks is called Reverse Repo Rate.

(currently 5.75%)

□ Major Difference between Cheque and ^{demand} Draft

□ Difference between Banking & Non-banking Finance

◦ Bank can accept any demand deposit, but NBFC cannot.

◦ Banks can issue or clear any cheque, but NBFC cannot.

Q. How many public sector (or Nationalised) Banks do we have? (except RBI)

→ 21 [19 NB + IDBI + SBI]

Q. How many structures of co-op bank be observed in India?

- ⇒
- State co-operative
 - Central co-operative
 - PACS (Primary Agriculture Credit Society)

Q. First co-operative bank in India is _____.