

BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE – PILANI
HYDERABAD CAMPUS
INSTRUCTION DIVISION
First Semester 2016-2017
Course Handout (Part-II)

Date: August 1st, 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 : Dr. Thota Nagaraju / Dr. Dushyant Kumar

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, Seventh Edition, 2010.....(TB1)
2. Mishkin Frederic S, “The Economics of Money, Banking and Financial Markets”, Pearson Education (AW), Seventh Edition, 2004.(TB2)

4. Reference Books:

- 1) Paul Jastin and Padmalatha Suresh, “Management of Banking and Financial Services”, Pearson Education, First Edition, 2007.
- 2) H.J. Johnson, Financial Institutions & Markets: A Global Perspective; McGraw Hill, 1993 (Int. edition.)
- 3) Jadhav Narendra, Challenges to Indian Banking: Competition, Globalization & Financial Markets, (Union Bank of India, 1996, Macmillan India Ltd., 1996.

5. Course Plan:

Lec. No.	Learning Objective	Topic to be Covered	Ref.
1-2	Objectives, Overview, Composition and economic significance	Introduction	Ch. 1 and 2 TB1
3-4	Money & Capital Interface	An Overview of the Financial System,	Ch .2 TB1
5-9	Understanding Financial Markets	Understanding of Interest	Ch. 3 - 4 TB1

		Rates	
10-13	Factors Affecting interest Rates	How do Risk and Term Structures affect interest Rates? Case Study -1 <i>Quiz-1 in the class for 7 minutes on 20th August 2016 using Socrative.com</i>	Ch. 5 TB1
14-15	To Study the Efficiency of Financial Markets	Are Financial Markets Efficient?	Ch. 6 TB1
16-17	Rational Expectation Hypothesis	Stock Market and Theory of Rational Expectations	Chap. 7 TB2
18-20	What is money, Money market instruments & Money supply	Money, Money Market and Money Supply Process Case Study -2 <i>Quiz-2 in the class for 7 minutes on 15th September 2016 using Socrative.com</i>	Chap.9 and Ch. 3 & Chapter 15 TB2
21-23	Conduct of Monetary Policy	Conduct of Monetary Policy: Tools, Goals and Targets (RBI)	Chap.8 and Chap. 17 and 18 TB2; Class notes
24-25	Transmission Mechanism	Transmission Mechanisms of Monetary Policy	Chapter 26 TB2
26-27	Banking business operations	Banking and Management of Financial Institutions	Ch. 17 TB1
28-30	Commercial Banking operations	Commercial Banking Industry: Structure and Competitions	Chap.18 TB1
31-32	Types, designs and basis of financial derivatives	Hedging With Financial Derivatives Case Study -3 <i>Quiz-3 in the class for 7 minutes on 18th October 2016 using Socrative.com</i>	Ch.25 TB1
33-34	International Interface	Foreign Exchange Market	Chap.13 TB1
37-40	Financial Crisis	Economic Analysis of Financial Crisis: US Recession/Euro Zone Case Study -4 <i>Quiz-4 in the class for 7 minutes on 24th November 2016 using Socrative.com</i>	Class Notes

Case Studies: You will be informed full details of these case studies in the class

Aim of the case studies: 1) Introducing you to analyze the real world problems (situations)

2) Preparing you to deal with the job market case studies.

Grade Determination: Final grade assignments will depend upon your overall performance and will be determined as objectively as possible based on the following weights.

Components	Duration	Weightage (%)	N a t u r e o f Component	Date
Case study seminars (Group)		10%	OB	
Quizzes		10% (each quiz is for 10 points)	CB	
Assignment (individual)		10%	OB	
Test -1	1 Hour	15% (=100 points)	CB	13/9, 10.00--11 AM
Test -2	1 Hour	15% (=100 points)	OB	21/10, 10.00--11 AM
Comprehensive Exam	3 Hour	40% (=100 points)	CB	14/12 AN

Note: Points will be converted into marks based on their weightage.

For quizzes, please bring either your laptop or smartphone.

Chamber Consultation Hour: Thursday 3:00 PM to 4:00 PM.

Notice: All notices will be displayed on CMS and Economics & Finance Notice Board.

Make-up policy: Make-up will be given only on Doctor's/Warden's recommendation and with prior (at least 01 day before the test/exam) permission of the InstructorinCharge/Instructor. Request for make-up made by phone/sms or during/after the test/exam would **NOT** be entertained at all.

Assignment

Student's needs to select a topic in the area of **Banking** and submit the Title of topic, Objective, Expected Deliverables, Methodology and Data Collection by September 19th, 2016: 5:00PM and the final assignment should submit by October 26th, 2016: 5:00 PM (Soft copy should be sent to nagaraju@hyderabad.bits-pilani.ac.in and hard copy should be submitted in my chamber C-234). Only 25 percent of the plagiarism is allowed and thereafter for every 10 percent of additional plagiarism, one mark will be deducted.

Case study group presentations: Student participation is compulsory and the group presentations will be held on November 20th and 21st from 5:30 PM to 7:00 PM. This schedule will not be changed (note: if someone is not attending at least one day, then he/she will be losing all the marks of this component, the idea here is to provide you a platform to overcome the stage fear).

**Instructor-in-Charge
ECON F312**

