

**SVKM's NarseeMonjee Institute of Management Studies**

<b>Program: B.Sc. Economics</b>				<b>Trimester /Semester :</b>	<b>III</b>
<b>Course Name :</b> Money Banking and Financial Institutions				<b>Course Code:</b>	
<b>Teaching Scheme</b>				<b>Evaluation Scheme</b>	
<b>Lecture (in hours)</b>	<b>Practical (in hours)</b>	<b>Tutorial (in hours)</b>	<b>Credit</b>	<b>Internal Continuous Assessment (ICA) (weightage)</b>	<b>Term End Examinations (TEE) (weightage)</b>
60			4	50	50
<b>Pre-requisite:</b>					
<b>Objectives:</b> The course aims at providing students with the means to analyze monetary questions and institutions. This course links the fields of macroeconomics and finance. It provides coverage of economic principles that underline the operation of banks and mechanism underlying bond market. The role of money in the economy and the impact of monetary policy on the macroeconomy are examined.					
<b>Outcomes:</b> After completion of the course, students would be able to :  <ol style="list-style-type: none"> <li>1. To understand the economic principles underlying the working of financial institutions.</li> <li>2. To understand how central banks conduct monetary policy</li> <li>3. To use models to think about monetary and macroeconomic issues</li> <li>4. To conduct a theoretical analysis of real-world issues and phenomena</li> </ol>					
<b>Detailed Syllabus:</b>					
<b>Unit</b>	<b>Description</b>	<b>Course Materials</b>	<b>Duration</b>	<b>Weightage</b>	
<b>1</b>	<b>Discuss 2<sup>nd</sup> Bi-monthly monetary policy 2020-2021</b>	RBI Monetary Policy	2 hours	<b>To be tested in internal examination and not for the end semester examination</b>	
<b>2</b>	Introduction- Why study money, banking and financial markets; Basic financial concepts and definitions- Money and its functions; Financial markets, Financial market instruments; Financial intermediaries;	<b>Mishkin, Chs. 1,2,3</b>	5 hours		
<b>3</b>	Demand for money-various approaches	Mishkin, Ch. 19	2 hours		

**SVKM's NarseeMonjee Institute of Management Studies**

<b>4</b>	Interest rates – Understanding Interest Rates; Loanable Funds Framework; Liquidity Preference Framework	Mishkin Ch. 4,5	8 hours	10 marks
<b>5</b>	<b>Movie/Documentary of relevance</b>	Suggestion: Big Short	2 hours	Should give students an assignment based on this. It could be take home assignment or an in class assignment.
<b>6</b>	<b>Test 1</b>		1 hour	
<b>7</b>	Risk and Term structure of interest rates	Mishkin Ch. 6	3 hours	10 marks
<b>8</b>	<b>The Banking firm and the Management of Financial Institutions-</b> The Bank balance Sheet, Basic operations of a bank, General principles of Bank management, Managing Credit Risk, Managing interest rate risk, Off-Balance sheet activities, Financial Innovations.	Mishkin Ch. 10	4 hours	10 marks
<b>9</b>	<b>Discuss 3<sup>rd</sup> Bi-monthly monetary policy 2020-2021</b>	RBI Monetary Policy	2 hours	10 marks
<b>10</b>	Central Banking – Federal Reserve System; Reserve Bank of India	Mishkin Ch. 13	3 hours	10 marks
<b>11</b>	<b>THE CONDUCT OF MONETARY POLICY-</b> Tools of Monetary Policy; Goals and Targets of Monetary policy; Transmission Mechanism of Monetary Policy	Mishkin Ch. 15, 16, 25	8 hours	
<b>12</b>	<b>Test 2</b>		1 hour	
<b>13</b>	<b>Banking Industry( Commercial banks)- Guest Lecture</b> i) Structure and overview	Any relevant industry expert	2 hours	

**SVKM's NarseeMonjee Institute of Management Studies**

	ii) Case Study Analysis of Indian Banking			
<b>14</b>	<b>Student Presentations</b>	Topics to be given atleast 3 weeks in advance	6 hours	
<b>15</b>	<b>Discuss 4<sup>th</sup> Bi-monthly monetary policy 2020-2021</b>	RBI Monetary Policy	2 hour	
<b>16</b>	<b>Economic Analysis of Financial Regulation – Case Study Discussion on Basel III</b>	Mishkin Ch. 11	2 hours	
<b>17</b>	<b>Stock Market pricing- Efficient Market Hypothesis and Historical stock market anomalies.</b>	Mishkin Ch. 7	4 hours	5 marks
	<b>Total</b>			

**Text Books:**

Mishkin, F.S. (2013), The Economics of Money, Banking and Financial Markets, 10th edition, Pearson

**Additional Reference Books:**

Hubbard, G.R and O'Brien, A. P (2011), Money, Banking and Financial Systems, International Edition, Pearson Hall

Ball, L (2011) Money, Banking and Financial Markets, 2<sup>nd</sup> Edition, Worth Publishers

Mankiw, G.N and Ball, L (2010) Macroeconomics and the Financial System, Worth Publishers

Eyler, R (2009) Money and Banking: An International Text, 1<sup>st</sup> edition, Routledge

**Pedagogy to be used:** Lectures, Case Studies, Class room discussions, Student presentation, movie/documentary.

**Any other information :**

Components	Weights
Continuous evaluation	
Term Paper (Group)	20
Group Presentation	20

**SVKM's NarseeMonjee Institute of Management Studies**

Individual Performance (Class quiz, discussion, revision)	10
--	----

Prepared by

Approved by

Signature  
(Concerned Faculty/HOD)

Signature  
(Dean)