

Course Handout

Minor in Financial Economics

Money and Financial Market HS 3040

Unit 1

- Money: concept, functions, measurement; theories of money supply determination. High Powered Money. Money multiplier and accelerator theory. Cryptocurrency .

Unit 2

- Financial institutions, markets, instruments, and financial innovations. Role of financial markets and institutions; problems of adverse selection and moral hazard; financial crises Money and capital markets: organisation, structure, and reforms in India; role of financial derivatives and other innovations

Unit 3

- Interest rates Determination; sources of interest rate differentials; theories of term structure of interest rates; interest rates in India.

Unit 4

- Banking System Balance sheet and portfolio management Indian banking system: changing role and structure; banking sector reforms. Central banking and monetary policy.

Books Recommended:

- . Baye, M., Jansen, D. (2006). *Money, banking and financial markets*. AITBS.
- 2. Bhole, L., Mahukud, J. (2017). *Financial institutions and markets, 6th ed.* Tata McGraw-Hill.
- 3. Fabozzi, F., Modigliani, F., Jones, F., Ferri, M. (2010). *Foundations of financial markets and institutions, 4th ed.* Pearson Education.
- 4. Jadhav, N. (2009). *Monetary policy, financial stability and central banking in India.* Macmillan.
- 5. Khan, M. (2015). *Indian financial system, 9th ed.* Tata McGraw-Hill.
- 6. Mishkin, F., Eakins, S. (2017). *Financial markets and institutions, 8th ed.* Pearson.
- 7. Mohan, R. (2011). *Growth with financial stability: Central banking in an emerging market.* Oxford University Press.
- 8. Various latest issues of RBI Bulletins, Annual Reports, Reports on Currency and Finance, and Reports of the Working Group, IMF Staff Papers.
- 9. **Monetary Economics, R R Paul. Kalayani Publishers**
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Activities: Total 30 marks for Internal Assessment

- **Activity 1:** Quiz Test in class (in the 3rd Week) : 1 hour : FM 5
- **Activity 2:** A Research Paper on any Financial Economics Related Issue: Submission in Google classroom : FM : 10: Before Midsemester
- **Activity 3:** Presentation of the Developed paper in the class : FM: 10 : Before Midsemester
- **Activity 4:** Quiz Test : Post Mid-semester : 5 marks