

SVKM's NarseeMonjee Institute of Management Studies

Program: B.Sc. Economics				Trimester /Semester :	III
Course Name : Money Banking and Financial Institutions				Course Code:	
Teaching Scheme				Evaluation Scheme	
Lecture (in hours)	Practical (in hours)	Tutorial (in hours)	Credit	Internal Continuous Assessment (ICA) (weightage)	Term End Examinations (TEE) (weightage)
60			4	50	50
Pre-requisite: Principles of Macroeconomics					
Objectives:					
<ol style="list-style-type: none"> 1. To understand economic principles that underline the operation of banks and mechanism underlying bond market. 2. To analyze monetary questions and institutions. 3. To investigate the role of money in the economy and the impact of monetary policy on the macroeconomy. 					
Outcomes: After completion of the course, students would be able to :					
<ol style="list-style-type: none"> 1. To understand the economic principles underlying the working of financial institutions. 2. To understand how central banks conduct monetary policy 3. To use models to think about monetary and macroeconomic issues 4. To conduct a theoretical analysis of real-world issues and phenomena 					
Detailed Syllabus:					
Unit	Description	Course Materials	Duration	Weightage	
1	Discuss 2nd Bi-monthly monetary policy 2021-2022	RBI Monetary Policy	2 hours	To be tested in internal examination and not for the end semester examination	
2	Introduction- Why study money, banking and financial markets; Basic financial concepts and definitions- Money and its functions; Financial markets, Financial market instruments; Financial intermediaries;	Mishkin, Chs. 1,2,3	5 hours	5 marks	

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3	Demand for money-various approaches	Mishkin, Ch. 19	2 hours	
4	Interest rates – Understanding Interest Rates; Loanable Funds Framework; Liquidity Preference Framework	Mishkin Ch. 4,5	8 hours	10 marks
5	Movie/Documentary of relevance	Suggestion: Big Short	2 hours	Should give students an assignment based on this. It could be take home assignment or an in class assignment.
6	Test 1		1 hour	
7	Risk and Term structure of interest rates	Mishkin Ch. 6	3 hours	10 marks
8	The Banking firm and the Management of Financial Institutions- 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
9	Discuss 3rd Bi-monthly monetary policy 2021-22	RBI Monetary Policy	2 hours	10 marks
10	Central Banking – Federal Reserve System; Reserve Bank of India	Mishkin Ch. 13	3 hours	10 marks
11	THE CONDUCT OF MONETARY POLICY- Tools of Monetary Policy; Goals and Targets of Monetary policy;Transmission Mechanism of Monetary Policy	Mishkin Ch. 15, 16, 25	8 hours	
12	Test 2		1 hour	
13	Banking Industry(Commercial banks)- Guest Lecture i) Structure and overview ii) Case Study Analysis of Indian Banking	Any relevant industry expert	2 hours	

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14	Student Presentations	Topics to be given atleast 3 weeks in advance	6 hours	
15	Discuss 4th Bi-monthly monetary policy 2021-22	RBI Monetary Policy	2 hour	
16	Economic Analysis of Financial Regulation – Case Study Discussion on Basel III	Mishkin Ch. 11	2 hours	
17	Stock Market pricing- Efficient Market Hypothesis and Historical stock market anomalies.	Mishkin Ch. 7	4 hours	5 marks
	Total			

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, 2nd 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, 1st 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
Individual Performance (Class quiz, discussion, revision)	10

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