

UNIVERSITY OF KERALA
Complementary Course in ECONOMICS
for the students of BA Degree Programme under CBCSS

SYLLABUS

(Applicable from 2015 Admissions)

Semester: 2

Type of course: **Complementary**

Course Code: **EC1231**

Course Name: **MONEY AND BANKING**

Instruction Hours/Week: 3

Number of credits: 3

Course Objective

The course provides basic understanding about the nature and significance of money and banking in the functioning of an economy.

MODULE I: MONEY

Concept of money—Nature of money—Kinds of money—Functions of money

MODULE II: VALUE OF MONEY

Value of money—Fisher's equation of exchange—Index number—Type of index number, Consumer price index, Wholesale price index, Share market indices—Construction of index number and its limitations.

MODULE III: INFLATION

Inflation—Type of inflation—Causes and effects of inflation—Measures to control inflation—Deflation—Concept of trade cycle.

MODULE IV: BANKING

Banking system : Commercial banks—Functions of commercial banks—Central bank and its functions—Indian banking system—Public sector bank—Private sector bank – Scheduled bank and non scheduled banks—Reserve bank of India—Functions of Reserve Bank of India—Credit policy instruments—Banking Sector Reforms in India.

References

- Hajela N (2001): Money and Banking Theory, Indian Ane Books Pvt Ltd-
- Dewett, KK: (Year) Modern Economic Theory - Publishers,
- Baye, M.R and D. W. Jansen(1996): Money, Banking and Financial Markets, AITBS.
- Jadhay, N (2006): Monetary Policy, financial stability and central banking in India, Macmillan.

PS: This is only a copy of the syllabus of the course, published by the University and is primarily intended to provide an easy reference to the students of the course. The University being the final authority as far as the syllabus of a course is concerned, the students are advised to verify that the University has not made subsequent changes in the syllabus of the course.