

VIDYASAGAR UNIVERSITY  
Paschim Medinipur, West Bengal



***CURRICULUM & SYLLABUS (FINAL) OF***

**BACHELOR OF BA/BSc ECONOMICS**  
**(Multidisciplinary studies)**

**3-YEAR UNDERGRADUATE PROGRAMME**  
**(w.e.f. Academic Year 2023-2024)**

*Based on*

**Curriculum and Credit Framework for Undergraduate  
Programmes (CCFUP), 2023 & NEP, 2020**

**VIDYASAGAR UNIVERSITY**  
**Syllabus of BA/B. Sc. Economics (Multidisciplinary studies) (under CCFUP, 2023)**

Level	YR.	SEM	Course Type	Course Code	Course Title	Credit	L-T-P	Marks		
								CA	ESE	TOTAL
<b>SEMESTER-V</b>										
B.Sc. 3 <sup>rd</sup>	V	Major-4 <b>ECOMDMJ04</b> <b>A4: Indian Economy</b> Major-5 <b>ECOMDMJ05</b> <b>A5: Development Economics</b> Major-6 <b>ECOMDMJ06</b> <b>A6: Trade and Finance</b> Major Elective 2 <b>ECOMJE02</b> <b>Economics of Health and Education Or, West Bengal Economy</b> Minor (Disc.-V) <b>ECOMI5</b> <b>T: Entrepreneurship Development (To be taken by students of other Disciplines)</b>	4	3-1-0	15	60	75			
			4	3-1-0	15	60	75			
			4	3-1-0	15	60	75			
			4	3-1-0	15	60	75			
			<b>Semester-V Total</b>	<b>20</b>			<b>375</b>			
		Major-4 <b>B4: Same as A4</b> Major-5 <b>B5: Same as A5</b> Major-6 <b>B6: Same as A6</b> Major Elective 3 <b>ECOMJE03</b> <b>Research Project Or Computer Application in Economics (Practical)</b> Minor (Disc.-VI) <b>ECOMI6</b> <b>T: Money and Banking (To be taken by students of other Disciplines)</b>	4	3-1-0	15	60	75			
			4	3-1-0	15	60	75			
			4	3-1-0	15	60	75			
			<b>Semester-VI Total</b>	<b>20</b>			<b>375</b>			
			<b>TOTAL of YEAR-III1</b>	<b>40</b>			<b>750</b>			

MJ=Major, MI=Minor Course, SEC=Skill Enhancement Course, AEC=Ability Enhancement Course, MDC=Multidisciplinary Course, VAC = Value Added Course; CA= Continuous Assessment, ESE= End Semester Examination, T = Theory, P= Practical, L-T-P = Lecture-Tutorial-Practical, MIL = Modern Indian Language, ENVS = Environmental Studies

## **UG Syllabus-Semester V and Semester VI-Multidisciplinary-2025**

### **Semester V**

#### **Major: A4: Indian Economy**

**Credits 4**

#### **Course Objectives:**

This course aims to provide students with a comprehensive understanding of the structure and dynamics of the Indian economy. It explores the sectoral distribution of national income, issues related to poverty, unemployment, and population growth, and the role of government policies in addressing these challenges. The course also covers key sectors such as agriculture, industry, and banking, along with an analysis of public finance and India's foreign trade in the post-liberalization era.

#### **Course Outcomes:**

By the end of this course, students will be able to assess the sectoral composition of the Indian economy and understand the changes since the inception of planning. They will analyze the effectiveness of poverty eradication programs and employment policies, understand the interaction between population growth and economic development, evaluate key agricultural and industrial policies, and critically examine the role of banking and monetary policy. Students will also gain insights into India's fiscal structure and foreign trade trends in the post-liberalization period.

#### **Unit 1: Structure of Indian Economy**

- Sectoral distribution of National Income and its change since inception of Planning.
- Occupational pattern in India
- Inequalities in Income distribution
- Poverty, Poverty eradication programmes and their effectiveness
- Government policies in reducing unemployment and underemployment.

#### **Unit 2:Population and economic development**

- Size and growth rate of population in India.
- Changes in sex composition since inception of planning.
- Population policy and population projections for India.
- \* Interactions between population and economic development

#### **Unit 3: Major Sectors**

##### **Agriculture**

- Land reforms and its appraisal
- \* Causes of low productivity.
- New agricultural policy; Green revolution and its prospects.
- Effects of GATT on Indian Agriculture.

##### **Industry**

- Review of Industrial growth under planning.
- Role of small-scale industries and policy perspective to help them.
- Role of trade union and social security measures in India.

##### **Banking**

- Role of Indian Commercial Banks and Reserve Bank of India.
- Monetary Policy of the Reserve Bank of India. .
- Non-banking financial institutions: Features and performances

#### **Unit 4: Public Finance and Foreign Trade**

- Sources of Revenue and Expenditure of Union and State Government.
- Union-State Financial Relation.
- Centre-State Conflict on Finances
- Volume and direction of India's foreign trade in the post-Liberalization period.

#### **Suggested Readings:**

1. Dutta R. and K.P.M. Sundaram: Indian Economy, S. Chand and Co. New Delhi
2. Misra S.K.V. K. Puri: Indian Economy, Himalayas Publishing Co. Mumbai.
3. Agarwal A.N: Indian Economy, Vikash Publishing Co. Delhi
4. Gupta, S.B.: Monetary Planning in India, Oxford University Press, Delhi.

**Major: A5: Development Economics****Course Objectives:**

This course aims to provide students with a clear understanding of the concepts of economic development and growth, highlighting the differences between the two. It will cover key growth indicators, such as net national income and per capita income, and delve into human development indices. Students will explore various economic growth models, analyze poverty and inequality, and examine the role of political and economic institutions in shaping development. It also captures the roles of foreign investment to a country like India.

**Course Outcomes:**

By the end of this course, students will be able to differentiate between economic growth and development, interpret development indicators like HDI, and compare development trajectories across nations. They will gain insights into economic growth models, understand the measurement and implications of poverty and inequality, and critically assess the role of institutions in influencing economic and political outcomes. Finally, the students will be able to grasp ideas on the roles of foreign investment to a country like India.

**Unit 1: Meaning of Economic Development and Growth**

- Distinction between Economic Growth and Economic Development:
- Net National Income and Per Capita Income: Utilization as indicators of economic growth
- Construction and Interpretation of HDI: Methodology and significance of the Human Development Index

**Unit 2: Economic Growth and Development Strategies**

- Harrod-Domar Model: Key assumptions, mechanics, and policy implications.
- Rostow's Stages of Economic Growth: Examination of the stages of growth and their relevance to developing economies.
- Low-Level Equilibrium Trap: Nelson's Model: Understanding the concept and implications of the trap for developing economies.
- Big Push Theory: The rationale and need for large-scale investment to overcome development bottlenecks; Critical minimum effort.
- Balanced vs. Unbalanced Growth: Comparative analysis of growth strategies.

**Unit 3: Poverty and Inequality**

- Poverty Measurement: Concepts and indices including the Human Poverty Index (HPI).
- Poverty Traps and Path Dependence: Understanding persistent poverty and growth processes.
- Comparison of Commonly Used Inequality Measures: Gini coefficient and Lorenz curve
- Gender Inequality: Examination through the Gender Development Index (GDI).

- Connections between Inequality and Development

#### **Unit 4: Foreign Investment**

- Different Forms of Foreign Investment: Direct, portfolio, and other types of investment.
- Roles in Economic Development: Impact of foreign investment on growth, technology transfer, and employment.

#### **References**

1. Debraj Ray, *Development Economics*, Oxford University Press, 2009.
2. Partha Dasgupta, *Economics: A Very Short Introduction*, Oxford University Press, 2007.
3. Abhijit Banerjee, Roland Benabou, and Dilip Mookerjee, *Understanding Poverty*, Oxford University Press, 2006.
4. Kaushik Basu, *The Oxford Companion to Economics in India*, Oxford University Press, 2007.
5. Kaushik Basu, *Analytical Development Economics*, Oxford University Press.
6. Amartya Sen, *Development as Freedom*, Oxford University Press, 2000.
7. M.P. Todaro, *Economic Development in the Third World*, Longman, New York.
8. Dominick Salvatore and E. Dowling, *Development Economics*, Schaum's Outline Series in Economics, McGraw-Hill, New York.
9. G.M. Meier (ed.), *Leading Issues in Economic Development*, Oxford University Press.

**Major: A6: Trade and Finance**

**Credits 4**

### **Course Learning Objective**

In the first half our objective is to understand the basis of international trade, available policy options to affect the volume and pattern of international trade and the effect of international trade on the macro-economy of a nation. In the second part, the objective is to analyse the role of state in a normative framework and understand the nature of public goods, taxation principles and debt options to the Government.

### **Course learning Outcome**

The students will be able of understand the working of modern day economies in general and role of international trade and government in particular in the context of macroeconomics.

## **Trade**

### **Unit 1:**

#### **Basics of trade theory**

Arbitrage as basis and direction of trade; fundamental sources of cross-country price differences and arbitrage; concept of comparative advantage; externalities, regulation and perverse comparative advantage; International equilibrium; offer curves, ToT and stability; Gains from Trade (GFT) Theorem; Concepts of Production possibility Frontier and Community Indifference curves; Illustration of GFT; Decomposition of GFT; Substitution possibilities and magnitude of GFT.

#### **Trade Policy**

Partial Equilibrium Analysis: Tariff - cost–benefit, Quota, Quota- Tariff equivalence & non-equivalence, effects of tariff, quota, subsidy and voluntary export restraint

### **Unit 2: Balance of Payments & Exchange Rate:**

Balance of Payment accounts in an open economy; Fixed &Flexible Exchange Rate: adjustment of demand and supply of Foreign Exchange, Effect of devaluation, Effects of exchange rate on domestic prices and ToT, Marshall-Lerner Condition, J-Curve effect.

## **Public Finance**

### **Unit 3:**

#### **Fiscal Functions**

Overview of Fiscal Functions; Tool of Normative Analysis, Pareto Efficiency, Equity and Social Welfare

#### **Public Goods**

Characteristics; Exclusion Principle; Non-Applicability of exclusion Principle; Market Failure and Externalities

### **Principles of Taxation (concepts only)**

Benefit and Ability to Pay Approach-Direct and Indirect Taxation—Regressive, Progressive, Proportional Taxation

### **Public Debt (concepts only)**

Internal and External-Burden of Debt

### **Unit 4:**

#### **Introduction to Financial Economics**

Evolution of limited liability companies; Time value of money and concepts of security markets investment

#### **Theory and Portfolio Analysis**

Deterministic cash-flow streams: Basic theory of interest; discounting and present value; internal rate of return; evaluation criteria; fixed-income securities; bond prices and yields; interest rate sensitivity and duration; immunisation; the term structure of interest rates; yield curves; spot rates and forward rates.

### **References**

P. Krugman and M. Obstfeld- International Economics (8th Edition) ; Pearson Education

R. Caves, J. Frankel and R.W. Jones – World Trades & Payments (9th Ed); Pearson Education.

RajatAcharyya- International Economics; Oxford University Press

Giancarlo Gandolfo, International Trade Theory and Policy, Springer, 2014

R .A. Musgrave and P. B. Musgrave, Public Finance in Theory & Practice, Mc GrawHill Publications 5th Edition

J. E. Stiglitz: Economics of Public Sector (W.W. Norton & Company, 3rd Edn. 2000)

A. Ghosh & C. Ghosh: Public Finance (Prentice-Hall India, 2nd Edn. 2014)

L. M. Bhole &Jitendra Mahakud:Financial Institutions and Markets; 6th Edition, Tata McGrawHill

<b>Major Elective 2: Economics of Health and Education</b>	<b>Credits 4</b>
<b>Or,</b>	

**West Bengal Economy**

**Credits 4**

### **Major Elective 2: Economics of Health and Education**

#### **Course Learning Objective:**

- Understand the fundamental principles of health economics, including demand and supply, market failure and externalities.
- Analyse the economic determinants of health outcomes, including income, education and life style choices.
- Understand the intersections and synergies between health and education economics.
- Analyse the economic determinants of health and education outcomes in developing and developed countries.
- Evaluate the economic impact of policy interventions aimed at improving health and education outcomes
- Develop critical thinking and problem-solving skills in applying economic principles to health and education.

#### **Course Learning Outcome:**

After the completion of the course, the student will be equipped to:

- Analyse and evaluate the economic aspects of health and education policies.
- Apply econometric techniques to healthcare and education data.
- Thinking critically about the economic impact of interventions and policy changes.
- Communicate effectively with policymakers, practitioners, and other stakeholders.
- Address complex health and education challenges in a variety of contexts.

#### **Unit 1: Roles of Health and Education in Human Development**

Importance in poverty alleviation; Health and Education for Human Capital, Health and Education outcomes and their relationship with macroeconomic performance: Health and Economic Growth.

#### **Unit 2: Health Sector in India: An Overview**

Health Outcomes; Health Systems; Health Financing, Status of Health and Medical Care in India, Health Policy in India

#### **Unit 3: Education and Health Expenditures in India**

Trends, Their linkages with GDP, Inter-state comparisons

#### **Unit 4: Educational Outcomes in India: An Overview**

Literacy rates, school participation, school quality measures

## References

- William, Jack, Principles of Health Economics for Developing Countries, World Bank Institute Development Studies, 1999.
- World Development Report, Investing in Health, The World Bank, 1993.
- Hanushek, E. A., & Woessmann, L. (2000). Economics of education. *International Encyclopaedia of the Social & Behavioral Sciences*, 4201-4208.

## Major Elective 2: West Bengal Economy

### Course Objectives:

- To provide a comprehensive understanding of the economic structure and growth patterns of West Bengal
- To analyze the impact of historical land reforms, agricultural and industrial policies on the state's economy
- To evaluate the state's performance relative to India and other major states in terms of economic and human development indicators
- To explore the contemporary issues related to poverty alleviation, employment generation, and social security

### Course Outcomes:

By the end of this course, students will be able to:

- Understand structural changes and compare West Bengal's economy with other Indian states.
- Assess the impact of land reforms on agriculture and rural development.
- Analyze growth patterns in the industrial and tertiary sectors.
- Evaluate the development of the social sector, focusing on health and education.
- Examine employment trends and assess the effectiveness of social security measures in poverty alleviation.

### Unit 1: Overview of West Bengal's Economy

- Structural changes of West Bengal Economy: Output based on state domestic product (SDP) and employment data from National Sample Survey and Census of India
- West Bengal in relation to India and major states: Per capita SDP, growth of SDP, human development, monetary and multidimensional poverty

### Unit 2: Land Reforms, Agricultural Sector and Non-Farm Sector

- Land Reforms, and Agricultural Growth: Impact of Operation Barga, productivity, growth of agricultural production, crop diversification, agrarian issues like land fragmentation, profitability, debt-trap, etc.
- Rural Non-Farm Sector: Pattern of growth, determinants, and its role in rural development

### Unit 3: Industrial Development and the Tertiary Sector

- Industrialization: Historical development, pattern of growth, challenges of post-reform industrial growth

- Tertiary Sector Growth: Expansion of the services sector, particularly IT, banking and finance, tourism; role of tertiary sector in economic transformation and employment generation

#### **Unit 4: Social Sector, Employment & Unemployment, and Social Security Measures**

- Health: Overview of public health infrastructure, status of child and maternal health, key challenges in providing healthcare access.
- Education: Performance in primary, secondary, and higher education levels.
- Employment and Unemployment situation in recent decades, labor migration and their socio-economic impacts.
- Social Security Measures and their Impacts: Key programs of the state government like *Kanyashree*, *Yuvashree*, *Rupashree*, *Swasthya Sathi*, *Lakshmir Bhandar*; central and state government programs like MGNREGA, MUDRA, PDS, SHGs and ICDS; impact on poverty alleviation, employment generation, and social inclusion.

#### **References and Recommended Readings:**

- 1) Bagchi A. K. (1998). Studies on the economy of West Bengal since independence. *EPW*, 33(47), 2973–2978.
- 2) Banerjee, A. V., Gertler, P. J., & Ghatak, M. (2002). Empowerment and efficiency: Tenancy reform in West Bengal. *Journal of Political Economy*, 110 (2), 239-280.
- 3) Bhattacharyya, B.B. & Sakthivel, S. (2004). “Regional Growth and Disparity in India,” *EPW*, March 6.
- 4) Das, P. (2010). Rural non-farm employment in India: Pattern of growth and determinants. Firma KLM.
- 5) Das, P., Ghosh, S., & Paria, B. (2022). Multidimensional poverty in India: a study on regional disparities. *GeoJournal*, Springer Nature, 87(5), 3987-4006.
- 6) Das, P., Paria, B., & Firdaush, S. (2021). Juxtaposing consumption poverty and multidimensional poverty: A study in Indian context. *Social Indicators Research*, Springer Nature, 153(2), 469-501.
- 7) Das, R. C., Ghosh, B. & Basu, I. (2019). Inter-district analysis of credit convergence: Outlooks from Neoclassical Growth and Panel Unit Roots models for West Bengal, India, *Global Business Review*, Sage, 22(5), 1244-1257
- 8) Das, R. C., & Chavan, S. (2020). Long run association between bank credit and output: A study on districts panel of West Bengal, India, *Global Business Review*, Sage, 24(5), 845-859
- 9) Das, R. C., Ghosh, B. & Das, U. (2022). Income Convergence among the Districts of West Bengal: Evidence from Neoclassical Growth and Panel Unit Root Models. *EPW*, October 29 & November 5, 57 (44 & 45)
- 10) Dey, S., Sengupta, A., & Sarkar, S. (2014). *The Economy of West Bengal: The Directions for Development*. New Delhi Publishers, New Delhi.
- 11) Economic and Political Weekly (1998). Articles on West Bengal Economy, *EPW*, 33 (47-48).
- 12) Khasnabis, R. (2009). The Economy of West Bengal. *EPW*, Vol. 43, No. 52, pp. 103-115.
- 13) Maharatna, A. (2007). "Population, Economy, and Society in West Bengal since the 1970s." *The Journal of Development Studies*, 43(8), 1381–1422. <https://doi.org/10.1080/00220380701611485>

- 14) Maity, K., Mazumdar, D., & Das, P. (2018). Male out-migration and its impact on women empowerment in West Bengal. *Economic Affairs*, 63(2), 459-467.
- 15) Montek Singh Ahluwalia (2006). "Economic Performance of States in Post-Reform Period," *EPW* (May 6).
- 16) Raychaudhuri A., & Basu G. K. (2007). *The decline and recent resurgence of the manufacturing sector of West Bengal: Implication for pro poor growth from an institutional Point of View* (Discussion Paper Series No. 10. [https://assets.publishing.service.gov.uk/media/57a08bf9e5274a27b2000ec7/IPPG\\_DP10.pdf](https://assets.publishing.service.gov.uk/media/57a08bf9e5274a27b2000ec7/IPPG_DP10.pdf)
- 17) Raychaudhuri, A., & Das, T. (2005). *West Bengal Economy: Some Contemporary Issues*, Allied Publishers.
- 18) West Bengal Human Development Report (2004), Oxford University Press.

**Minor: Entrepreneurship Development**

**Credits 4**

#### **Course Learning Objectives:**

The course will help students develop the skills and knowledge needed to start and run a business successfully and to Develop an entrepreneurial mind set i.e. the ability to empathize with others.

#### **Course Learning Outcome:**

Students will learn concept of Entrepreneur, Entrepreneurship motivation, how to identify a Project and to select it among others.

**Unit 1:** Evolution of the concept of Entrepreneur; Basic features - Entrepreneurship and economic development - Growth of entrepreneurship in India—Role of Entrepreneurship in Economic Development, Problem of Rural entrepreneurship in India

**Unit 2:** Entrepreneurship motivation; Motivation theories, Maslow's need Hierarchy Theory, McClell and Acquired Needs Theory, Kakinada Experiment

Project identification and selection • Meaning of project- project report-- planning commission's guidelines for formulating a project report

**Unit 3:** Financial resources for new ventures; Sources of finance---capital structure - institutional support to enterprises—national small industries board – state small industries development corporation--- district industries center--- industrial estates

**Unit 4:** Growth strategies in small business; Stages of growth, Types of growth strategies, Expansion, Diversification, Joint Venture, Merger, Subcontracting

Sickness in Small Business: Concept of industrial sickness, Symptoms of sickness, Causes and consequences of industrial sickness

#### **Suggested Readings:**

1. S.S Khanka--- Entrepreneurial Development, S. Chand & Company Ltd
2. Bill Bolton and John Thompson ---- Entrepreneurs: Talent, Temperament and Technique, Butterworth and Heinemann.

3. David .H Holt---Entrepreneurship New Venture Creation
4. N.D.Vohra- Quantitative Techniques in Management , Tata Mcgraw-Hill
5. Sharma - Operations Research, Macmillan India Ltd.
6. Poornima M. Charantimath: Entrepreneurship Development and Small Business Enterprises (2nd Edition) Pearson.

## **Semester VI**

**Major Elective 3: Research Project**

**Credits 4**

**Or,**

**Major Elective 3: Computer Applications in Economics (Practical)      Credits 4**

**Major Elective 3: Research Project**

### **Course Objectives**

This paper is an innovative one in the new system where students those who opt for Economics Major with Research will have to go for a research project in an unexplored area with a desirable structure of a dissertation.

### **Course Outcomes**

The students through the paper will have the knowledge on doing research in a suitable area of the subject with a standard dissertation having the scope of publications in reputed journals of acclaimed publishers from the national and international arenas. The students will create capabilities among them to go for direct PhD level research.

### **Template of the Dissertation/Project**

Title of the Dissertation

Student's Name

Affiliation

Abstract

Keywords/Terms

1. Introduction

2. Motivations

3. Review of Literature

4. Research Gaps

5. Objectives of the Study
6. Research Questions
7. Research Hypotheses
8. Data Sources and Methodology
9. Results and Discussion
10. Conclusion, Policy Formulations, Limitations and Future Research Agenda

*References*

Example: APA Style

End Notes

## **Major Elective 2: Computer Applications in Economics (Practical)**

**Unit 1:** Word Processing: Basic Features of Text formatting - Creating Documents - Heading Styles - Creating Reference Lists; Introduction to Excel/Spreadsheet for Economic Analysis of Data

Types of Data – Time Series, Cross Section –Excel Basic – Data Entry & Creation of Tables - Formula and Functions - Sort and Filter.

Use of Computers through programmes: Computer Languages: FORTRAN, C etc.: Some simple programming problems (Sorting, Calculation of A.M., S.D., simple regression etc.).

**Unit 2:** Data Analysis with MS-Excel: Summary Statistics, Hypothesis Testing, ANOVA, Correlation and Regression; Data Analysis with EViews/ STATA: Summary Statistics, Hypothesis Testing, ANOVA, Correlation and Regression

**Unit 3:** Factor Analysis, PCA, Logit and Probit Analysis with SPSS/ STATA

**Unit 4:** Basic Econometric Applications in Time series Analysis with EViews / STATA.; Econometric Application in Panel data Analysis with STATA/EViews.

### **References**

McCormick, K, et al (2017), SPSS Statistics for Data Analysis and Visualization, John Willy and Sons

M. Pal, Fortran 77, Asian Books Pvt. Ltd, 2003

Balagurusami E, Programming in ANSI C, Tata McGraw Hill, 2002.

Sankar Kumar Bhaumik(2015). “Principles of Econometrics: A Modern Approach Using EViews”, OUP, India.

Ash Narayan Sah: Data Analysis Using Microsoft Excel (Excel Books India)

Gray Koop: Analysis of Economic Data (John Wiley & Sons Ltd)

Richard L.Kerns: Essentials of Microsoft Windows, Word & Excel (Prentice Hall India)

V. RajaRaman: Fundamentals of Computers (PHI, New Delhi)

Stephan Levine & Krehbiel Berenson: Statistics for Managers Using Microsoft Excel (PHI Learning)

A. Leon & M. Leon: Introduction to Computers with MS Office (TMH)

### **Minor: Money and Banking**

**Credits 4**

#### **Course Learning Objective**

To understand in details the notion of money and its components, working of money and capital markets, the structure of financial market and its institutions and the concept of interest rates

#### **Course learning Outcome**

Students are expected to have a holistic idea of the monetary part of an economy and its various sub-contents.

#### **Unit 1: Money**

Definition of Money – Kinds of Money: Fiduciary/ Debt/ Credit Money – Coins, Paper Currency & Deposit Money - Legal Tender or Fiat Money and Non-legal Tender or Credit Money Proper - Limited & Unlimited Legal Tender – e-Money & Plastic Money – Functions of Money – Money Vs. Near Money – Examples of Near Money - Value of Money – High-powered Money or Monetary Base - Measures of Money Supply.

#### **Overview of the Financial System**

Meaning & the Role/Functions of the Financial System - Constituents of the Financial System: Financial Assets/ Instruments; Financial Intermediaries/ Institutions; and Financial Markets • Definition & Role of Financial Markets – Classification of Financial Markets: Money Market & Capital Market – Basic Distinction between Money Market & Capital Market • Definition & Role of Financial Intermediaries – Classification of Financial Intermediaries: Banks and Non-Bank Financial Institutions (NBFIs). Financial Assets/Instruments: Distinction between Primary & Secondary Securities – Debt & Equity Instruments of Various Types – Bonds, Shares, Debentures etc. – Distinction between Bonds & Shares

#### **Unit 2: Money Market**

Features, Importance & Functions of the Money Market - Characteristics of Developed and Underdeveloped Money Markets • Components of Money Market: Call Money Market - Commercial Bill Market - Treasury Bill Market – Repo & Reverse Repo Markets.

## **Capital Market**

Features, Importance & Functions of the Capital Market - Characteristics of Developed and Underdeveloped Capital Markets • Components of Capital Market: Gilt-edged Market and the Industrial Securities Market – Distinction between Primary Market and Secondary Market • Features, Role & Functions of Stock Market or Stock Exchange

## **Unit 3: Banks**

Commercial Banks & the Central Bank • Definition & Functions of Commercial Banks – Concepts of Primary & Derivative Deposits and the Process of Credit Creation by Commercial Banks – Role of Commercial Banks in Economic Development. • Definition & Functions of Central Bank – Distinction between Central Bank & Commercial Bank & Monetary Policy: Definition, Goals, Targets, Indicators & Instruments of Monetary Policy – Various Types of Quantitative & Qualitative Instruments of Credit Control.

## **Unit 4: Non-Bank Financial Intermediaries**

Distinction Between Commercial Banks & NBFIs – Validity of the Distinction - Examples of NBFIs – Development Banks, Mutual Funds, Insurance Companies - Central Bank's Control Over NBFIs.

## **Financial Markets and Interest Rates Behaviour**

Real & Nominal Interest Rates – Sources of Interest Rate Differentials – Meaning of Term Structure of Interest Rates - Theories of Term Structure of Interest Rates: The Expectations Theory – The Liquidity or Risk Premium Theory – The Market Segmentation Theory

## **Suggested Readings:**

F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education, 6th edition, 2009.

F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education, 3rd edition, 2009.

M. R. Baye and D. W. Jansen, Money, Banking and Financial Markets, AITBS, 1996.

Rakesh Mohan, Growth with Financial Stability- Central Banking in an Emerging Market, Oxford University Press, 2011.

L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill, 5th edition, 2011. M. Y. Khan, Indian Financial System, Tata McGraw Hill, 7th edition, 2011.

N. Jadhav, Monetary Policy, Financial Stability and Central Banking in India, Macmillan, 2006.

R.B.I. – Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998.

R.B.I. Bulletin, Annual Report and Report on Currency and Finance (latest).

