

BACHELOR OF COMMERCE - SECOND SEMESTER
MONETARY ECONOMICS

Code: SC 2.5

Contact Hours: 56

Credits: 4

Univ Code:

Work load: **4 hours per week**

Evaluation: Continuous Internal Assessment – **30 Marks**
Semester-End Examination – **70 Marks**

Objectives: To enable the students to understand the role of money and banking in the economic development.

Pedagogy: Combination of lectures, assignment, simple case studies, group discussion on monetary policy of RBI and its impact on market.

Module 1: Nature and Functions of Money: Meaning and definitions of money – functions – static and dynamic functions – role of money in economic development – demand for money and supply of money.

Module 2: Value of Money: Meaning – Index Numbers – meaning – preparation of index numbers – uses and limitations – cash transactions approach – cash balance approach – modern theory of money.

Module 3: Inflation: Meaning and definition – causes – effects and control of inflation – inflationary gap – the Phillip’s Curve – Nature of inflation in a developing economy – Demand-Pull and Cost-Push inflation.

Module 4: Banking: Meaning of bank – types of bank – functions of commercial bank – credit creation process – significance and limitations – investment polices – role of bank in development.

Module 5: Central Banking: Principles of Central Banking – functions – Credit Control Function – monetary policy – objectives – RBI’s Monetary Policy – Monetary Policy and Economic Development.

Recommended Books

1. Macro-Economics - H.L Ahuja
2. Modern Economic Theory - K.K.Dewett
3. Modern Economics - H.L.Ahuja
4. Macroeconomic Theory - Gupta G. S.
5. Economics - Samuelson, Paul.
6. Principles of Macro Economics - Rangarajan C.