



ST. ALOYSIUS COLLEGE(AUTONOMOUS), JABALPUR

Reaccredited 'A+ 'Grade by NAAC(CGPA:3.68/4.00)

College with Potential for Excellence by UGC

DST-FIST Supported & STAR College Scheme by DBT

Faculty of Arts

SUBJECT: ECONOMICS

M.A II Semester

Paper - II

Monetary Economics and Banking

Course Outcomes

CO. No.	Course Outcomes	Cognitive Level
CO 1	Describe and explain the role of money in the development of an economy along with the main channels of the monetary transmission mechanism, through which monetary policy can have real effects on the economy.	R and U
CO 2	Students will understand input-output of agriculture sector and their inter relationship with economy.	U and An
CO 3	Understand the impact of recession and inflation in economy and role of monetary policy in fighting recession and inflation.	U and An
CO 4	Analyze the unique role of commercial and central bank in the financial system. Students will also learn the relevance of the Federal Reserve and related central banking topics.	An and E
CO 5	Critically evaluate the meaning, phases, effects and various theories of business cycle.	An and E



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Credit and Marking Scheme

	Credits	Marks		Total Marks
		Internal	External	
Theory	5	10	40	50
Practical	-	-	-	-
	5			50

Evaluation Scheme

	Marks	
	Internal	External
Theory	1 Internal Exams of 10 Marks (During the Semester)	1 External Exams (At the End of Semester)

Content of the Course

No. of Lectures (in hours per week): 4.5 Hrs. per week

Total No. of Lectures: 56.25 Hrs.

Maximum Marks: 40



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Units	Topics	No. of Lectures
I	Money: Meaning and functions, Measures of Money Stock, Liquidity Approach to Quantity of Money, Credit Creation, Methods of Note Issue in India, Monetary Policy.	15
II	Meaning and Determinants of Value of Money, Theories of Value of Money- Fisher and Cambridge Approach, Keynes Theory of Money and Price, Milton Friedman's Theory, Theory of Real Balance Effect.	15
III	Meaning and Types of Inflation, Deflation, Reflation and Disinflation, Measurement of Inflation, Inflation and Indian Economy, Method to Check Inflation, Relationship between Inflation and Unemployment, Philips Curve.	15
IV	Banking System in India- Types of Bank, Function of Commercial Banks, New Trends in Commercial Banking, Reserve Bank of India	15
V	Business Cycle- Meaning and Nature, Phases of Trade Cycles, Theories of Trade Cycle- Non Monetary Theories, Monetary Theories- Schumpeter, Samuelson and Hicks, Measures to Control Evil Effects of Business Cycle.	15

Suggested Readings:

- Culbertson, J.M. (1968), Macroeconomic Theory and Stabilization Policy, McGraw Hill, Kogekosh, Tokyo.
- Gupta, S.B. (1995), Monetary Planning in India, Oxford University Press, New Delhi.
- Reddy, Y.V. (2000), A Review of Monetary and Financial Sector Reforms in India - A Central Banker's Perspective, UBSPD, New Delhi.



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- Mankiw, N.G. and D. Romer (Eds.) (1991), New Keynesian Economics, (2 Vols), MIT Press, Cambridge.
- Hicks, J.R. (1974), The Crisis in Keynesian Economics, Oxford University Press, New Delhi.
- Patinkin, D. (1965), Money, Interest and Prices, Harper and Row, New York.
- Monetary Economics- N .Kumar, R. Mittal
- Monetary Economics- M.L Jhigan