

**Syllabus**  
**B.Com. (Business Economics)**  
**(Sem.- III)**

**Title of Paper: Fundamentals of Money & Banking**

<b>Sr. No.</b>	<b>Heading</b>	<b>Particulars</b>
1	<b>Description the course:</b> <b>Including but Not limited to:</b>	This introductory course on Indian money and banking covers the functions and types of money, along with classical, neo-classical, and Keynesian motives for demand. It explores the money supply process in India, including monetary aggregates and the banking system, as well as recent reforms. The course also highlights the impact of technology on financial inclusion and reviews government initiatives to promote it.
2	<b>Vertical :</b>	Minor
3	<b>Type :</b>	Theory
4	<b>Credit:</b>	4 credits (1 credit = 15 Hours for Theory)
5	<b>Hours Allotted :</b>	60 Hours
6	<b>Marks Allotted:</b>	100 Marks
7	<b>Course Objectives:</b> By the end of this course, students will be able to: - <ol style="list-style-type: none"><li>1. To make the learner understand the basics of money as an instrument, theoretical understanding of reasons for demand for money.</li><li>2. To enable students to understand the basics of money supply and the role of monetary authorities in regulating money supply in the economy.</li><li>3. To introduce the banking system and its evolution in India.</li><li>4. To make the learner understand the technological changes in the banking industry and efforts for financial inclusion through new banking technology and Government Initiatives.</li></ol>	

- 8 Course Outcomes:** By the end of this course, students will be able to: -
1. The learners will be able to analyze the various functions of money in facilitating trade and economic activities.
  2. The students will critically evaluate a theoretical aspect of demand for money and supply of money and its relevance in modern times.
  3. The learner will be able to understand the basics of monetary policy, its instruments, and its importance to the economy.
  4. The learners will understand the basic concept of banking, its types, and recent banking sector reforms
  5. The students will realize the changing dynamics of the banking industry through technical progress in the operational technology and its significance for financial inclusion.

**9 Syllabus**

**Module 1: Money and Demand for Money (15 hours)**

- Money: Definition, Classification, and Functions of Money
- Pre-Keynesian Theories: Classical and Neo-Classical Demand for Money
- Modern Theories: Keynesian Demand for Money and Post Keynesian Developments.

**Module 2: Supply of Money and Monetary Policy (15 hours)**

- Money Supply: Rationale and Sources of Money Supply
- Measurement of Money Supply: Revised Aggregates and Liquidity Aggregates
- Money Multiplier; Velocity of Circulation of Money; Monetary Policy: Meaning and Objectives; Instruments of Monetary Supply; Monetary Policy Framework Agreement and Monetary Policy Committee.

**Module 3: Banking Industry (15 hours)**

- Introduction to Banking- Lending Principle and Credit Creation and Balance Sheet of a Banks
- Evolution of Banking System in India, Structure of Banking System in India- Commercial Banking – Function and significance, Retail Banking – Functions and significance & Corporate Banking -Rural Banking
- Applicability of KYC norms in Banking -Issues and Challenges of Banking Industry Banking sector reforms - 4R Framework - Basel Norms.

**Module 4: Technological Innovation and Financial Inclusion (15 hours)**

- Technology Trends in Banking – Digital Rupee, Fintech, Social Media Banking, Account Aggregators, Open Banking-
- Changes in Operational Technology in the Banking Industry – Core banking Solution -Financial Inclusion by Extension of Banking Services, Use of Mobiles/Tablets in Financial Inclusion Drive, Financial Literacy – Cyber Threats and Awareness Drives in Banking Operations
- Government Initiatives for Financial Inclusion – Priority Sector Advances- Pradhan Mantri Jandhan Yojan, Features and Challenges, Pradhan Mantri Mudra Yojana (PMMY), Stand Up India Scheme- Microfinance Institutions in India, Advantages, Purpose, Limitations and Models of SHG – Bank Linkage Program.

**11 References:**

- Annual Report; Master Circular - Prudential Norms on Capital Adequacy - Basel I Framework
  - Digital Banking Indian Institute of Banking and Finance, Taxmann Publication 2024 Edition.
  - Dua, P., "Monetary Policy Framework in India", Indian Economic Review, Vol. 55, Issue 1, June 2020
  - F S Mishkin, The Economics of Money, Banking, and Financial Markets, Prentice Hall, 2007
  - Frei C (2023) Open banking: opportunities and risks. In: The Fintech disruption: how financial innovation is transforming the banking industry, pp 167–189
  - Ghate, C., & Kletzer, K. M. (Eds.). (2016). Monetary policy in India: A modern macroeconomic perspective. Springer.
  - Hajela, T.N., (2009) Money and Banking, Ane Books Pvt Ltd., New Delhi.
  - K.C. Sekhar: Banking – Theory and Practice, Vikas Publishing House, New Delhi (recent edition).
  - L M Bhole and Jitendra Mahakud, Financial Institutions and Markets, TataMcGrawHill, 2009.
  - M.L. Seth, Monetary Economics, Vikas Publications, New Delhi
  - M.R. Baye, D.W. Jansen (1996), Money, Banking and Financial Markets, AITBS (Indian ed.)
  - N Jadhav: Monetary Policy, Financial Stability and Central Banking in India Macmillan
  - R.R. Paul, Money, Banking & International Trade, Kalyani Publications, Ludhiana
  - Report of the Working Group: Money Supply Analytics and Methodology of Compilation, 1998
  - RBI Bulletin; Report of Currency and Finance (latest).
  - S.B. Gupta, Monetary Economics, S. Chand Publications, New Delhi.
  - Shah, M., & Clarke, S. (2009). E-Banking Management: Issues, Solutions, and Strategies. Information ScienceReference (1st ed.). <https://doi.org/10.4018/978-1-60566-252-7>
  - Sundharam KPM, Banking: Theory, Law and Practice, Sultan Chand and Sons, New Delhi (recent edition)
- Y .Carrière-Swallow, V. Haksar and M. Patnam (2021)“India’s Approach to Open Banking:Some Implications for Financial Inclusion “IMF Working Paper WP/21/52

**11 Internal Continuous Assessment: 40% (40 Marks)**

<b>Continuous Evaluation Pattern</b>		
<b>1.</b>	Class Test based on objectives on-line/offline	20 marks
<b>2.</b>	Assignment / Project / Presentation	20 marks
<b>3.</b>	Book review / Newspaper review (in any language) / Case Study writing	20 marks
<b>Take any Two of the above (from 1, 2 and 3)</b>		<b>40 Marks</b>