



**Integral University, Lucknow**

<b>Effective from Session:</b>							
<b>Course Code</b>	A080401T / HE212	<b>Title of the Course</b>	Money, Banking and Public Finance	<b>L</b>	<b>T</b>	<b>P</b>	<b>C</b>
<b>Year</b>	II <sup>nd</sup>	<b>Semester</b>	IV <sup>th</sup>	<b>5</b>	<b>1</b>	<b>0</b>	<b>6</b>
<b>Pre-Requisite</b>	Intermediate	<b>Co-requisite</b>	None				
<b>Course Objectives</b>	This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.						

<b>Course Outcomes</b>	
<b>CO1</b>	Understand simple concepts related with monetary economics and banking theory.
<b>CO2</b>	Correlate and apply to current events & key models and concepts of monetary economics and banking theory.
<b>CO3</b>	Appreciate the potential importance of monetary phenomenon in the economy.
<b>CO4</b>	Understand the sources of finance both public and private
<b>CO5</b>	Demonstrate the role of government to correct market failures and possible advantage of public financing.
<b>CO6</b>	Understand the possible burden, benefits and distribution of various types of taxes among various classes of people, know the general trend and impact on general welfare and arouse them to suggest good and bad tax system.
<b>CO7</b>	Identify the different functions of money and how money is related to interest rates;
<b>CO8</b>	Students will be able to understand different types of banks and their functions.

<b>Unit No.</b>	<b>Content of Unit</b>	<b>Contact Hrs.</b>	<b>Mapped CO</b>
<b>1</b>	Money - Meaning, Functions and Classification; Gresham's Law; Principles and Methods of Note Issue. Quantity Theory of Money - Cash Transaction and Cash Balance Approaches; The Keynesian Approach.	12	CO1
<b>2</b>	Supply of Money: Definitions—Determinants of Money Supply, Measures of Money Supply; High Powered Money and Money Multiplier; Indian Currency system.	12	CO2
<b>3</b>	Commercial Banking: Meaning and types; Functions of Commercial Banks; The process of Credit Creation - Purpose and Limitations; Liabilities and Assets of banks; Evolution of Commercial Banking in India after Independence; A Critical Appraisal of the Progress Of Commercial Banking after Nationalization; Latest Trends in Banking Sector.	11	CO3
<b>4</b>	Functions of a Central Bank; Quantitative and Qualitative Methods of Credit Control - Bank Rate Policy, Open Market Operations, Variable Reserve Ratio and Selective Methods; Role and Functions of the Reserve Bank of India; Objectives and Limitations of Monetary Policy with Special Reference to India. Comparison between commercial and Central Banking.	11	CO4
<b>5</b>	Nature and Scope of Public Finance: Meaning and scope of Public Finance; Distinction between Private and Public Finance; Public Goods Vs. Private Goods; The Principle of Maximum Social Advantage; Market Failure.	11	CO5
<b>6</b>	Public Expenditure: Meaning, Classification and Principle of Public Expenditure; Canons and Effects of Public Expenditure; Trends in Public Expenditure and Causes of Growth of Public Expenditure in India.	11	CO6
<b>7</b>	Taxation: Sources of Public Revenue; Taxation — Meaning, Canons and Classification of Taxes; Division of Tax Burden — The Benefit and Ability-To-Pay Approaches; Impact and Incidence of Taxes; Taxable Capacity; Effects of Taxation; Characteristics of A Good Tax System.	11	CO7
<b>8</b>	Fiscal policy: Components, Instruments, Objectives. Role of Fiscal Policy in Developed and Developing Countries, Budget Structure of the Government of India, State Budget- Sources of Revenues and Expenditures. Major Tax Reforms in India. Fiscal Federalism in India: Union-State Fiscal Relations, Federal Fiscal Imbalances and the Role of Finance Commission. Finances of Local Bodies. Finance commission- Recommendation of 15 <sup>th</sup> Finance Commission.	11	CO8

<b>Reference Books:</b>	
<b>1.</b>	Bagchi, Amaresh (2005): Readings in Public Finance, Oxford University Press.
<b>2.</b>	Cullis, John & Jones Philip (2009) : Public Finance and Public Choice, Oxford University Press.
<b>3.</b>	Eyler Robert (2009): Money and Banking-An International Text, Routledge.
<b>4.</b>	Gupta, Janak Raj (2011): Public Economics in India Theory and Practice, Atlantic.
<b>5.</b>	Gupta,S.B (2009) : Monetary Economics-Institutions, Theory & Policy , S. Chand & Company, New Delhi.
<b>6.</b>	Head, J.C (1974): Public Goods and Public Welfare, Durham, NC, Duke University Press.
<b>7.</b>	Inge Kaul, Pedro Conceicao (2006): The New Public Finance, Oxford University Press.
<b>8.</b>	Jhingan, M.L (2012): Monetary Economics, Vrinda Publications, New Delhi.
<b>9.</b>	Khanna, Perminder (2005): Advanced Study in Money and Banking: Theory and Policy Relevance in the Indian Economy, Atlantic.

<b>E-Learning Source:</b>
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<b>Course Articulation Matrix: (Mapping of COs with POs and PSOs)</b>										
<b>PO- PSO CO</b>	<b>PO1</b>	<b>PO2</b>	<b>PO3</b>	<b>PO4</b>	<b>PO5</b>	<b>PSO1</b>	<b>PSO2</b>	<b>PSO3</b>	<b>PSO4</b>	<b>PSO5</b>
<b>CO1</b>	3	2	3	1	2	1	3	2	1	3
<b>CO2</b>	2	3	2	3	1	2	2	1	1	2
<b>CO3</b>	3	1	3	1	2	3	1	3	2	1
<b>CO4</b>	1	2	1	2	3	1	3	2	1	3
<b>CO5</b>	3	3	2	3	2	3	1	1	2	2
<b>CO6</b>	1	2	3	2	2	2	2	2	3	1
<b>CO7</b>	2	1	1	1	1	3	3	2	1	3
<b>CO8</b>	3	3	2	3	3	3	2	2	2	1

**1- Low Correlation; 2- Moderate Correlation; 3- Substantial Correlation**

<b>Name &amp; Sign of Program Coordinator</b>	<b>Sign &amp; Seal of HoD</b>
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