



University of Kerala

Discipline	ECONOMICS				
Course Code	UK4DSCECO203				
Course Title	MONETARY ECONOMICS				
Type of Course	DSC				
Semester	IV				
Academic Level	200 - 299				
Course Details	Credit	Lecture per week	Tutorial per week	Practical per week	Total Hours/Week
	4	4 hours	-	-	4
Pre-requisites	Basic knowledge in Macro Economics				
Course Summary	The undergraduate course in "Monetary Economics" offers a comprehensive investigation into the principles, theories, and strategies guiding the function of money within the economy. Utilizing a blend of theoretical frameworks and real-world scenarios, students explore subjects like the creation of money, tools of monetary policy, operations of central banks, and the mechanisms through which monetary policy influences economic outcomes.				



**Detailed Syllabus:**

Module	Unit	Content	Hrs
<b>I</b>	<b>Introduction to Monetary Economics</b>		<b>12</b>
	1	Nature and Functions of Money	
	2	Demand and Supply of Money	
	3	Theories of Value of Money; Cash Transaction Approach, Cash Balance Approach, Friedman’s Restatement of Quantity Theory	
	4	Inflation; Meaning, Types, Causes and Effects, Control Measures	
<b>II</b>	<b>Theories of Monetary Economics</b>		<b>10</b>
	5	Demand for Money; The Classical Approach, The Keynesian, Post Keynesian Developments	
	6	Baumol’s Approach to Transaction Demand for Money	
	7	Tobin’s Theory of Speculative Demand for Money	
	8	Supply of Money: Financial Intermediaries and the supply of Money	
	9	The Nature and Functions of Financial Intermediaries	
<b>III</b>	<b>Money and Banking</b>		<b>14</b>
	10	Endogenous and Exogenous Money Supply	
	11	High Powered Money	
	12	Measures of Money Supply with special emphasis on Indian Economy	
	13	Commercial Banking; Functions of Commercial Banks, Balance Sheet of a Commercial Bank	
	14	New Age Banking; Internet Banking, E-Banking, Mobile Banking	
	15	Digital Banking Instruments; E-Wallet, UPI Payment	
	16	Central Bank; Meaning, Role, and Functions	
	17	Monetary Policy of Central Banks; Objectives and Instruments	
<b>IV</b>	<b>International Finance</b>		<b>12</b>
	18	World Bank; aims and Functions; Structure, Policies, Development Assistance, Financing Investment	
	19	Asian Development Bank and Project Financing	
	20	Bank for International Settlements (BIS); Role, Functions.	
	21	Role of International financial institutions for financial inclusion	
<b>V</b>	<b>Activity</b>		<b>12</b>
	22	<b>Guidelines:</b> <b>Cross-country analysis of financial inclusion using any authentic international database</b>	

**Reading List**



1. Hajela, T.N (2009): Money and Banking: Theory with Indian Banking, Ane Books Pvt Ltd
2. Bhatia H L, Pubic Finance; Sage Publications, 2008
3. Bhole, L.M (2004): Financial Institutions and Markets: Structure, Growth and Innovations, McGraw Hill Education
4. Turban, Efraim, David King et.al (2002): Electronic Commerce: A Managerial Perspective, Pearson Education Asia, Delhi.
5. Kalakota, Ravi and Andrew B. Whinston (2009): Frontiers of Electronic Commerce, Pearson Education India
6. Rayport, Jeffrey F and Jaworksi. Bernard J (2003): Introduction to E-Commerce, Tata McGrawHill
7. Michael W. Brandi (2019): Money, Banking, Financial Markets and Institutions, Cengage India Pvt Ltd, New Delhi
8. Khan, M. Y. (2019). Indian Financial System, 11<sup>th</sup> ed. McGraw Hill, New Delhi.
9. Shapiro, Eli, et al. (1968): Money and Banking, New York, Holt, Rinehart and Winston.
10. M.L. Vaish (1978): Money Banking International Trade, WILEY EASTER Publication.
11. M. L. Seth (1984): Money Banking, International Trade and Public Finance, Lakshmi Narain Agarwal publication.
12. Ishwar C. Dhingra (2019): The Indian Economy Environment and Policy, S. Chand and Sons.
13. Noushad Chengodan (2017): Indian and Kerala Economy: Key Concepts Techniques & Latest Trends, Saradhi Books.

**Course Outcomes**

No.	Upon completion of the course the graduate will be able to	Cognitive Level	PSO addressed
CO-1	Understand the foundations of monetary economics	R, U	PSO-1
CO-2	Critically examine the theories of monetary economics	R, U, Ap, An, E,	PSO-1,4
CO-3	Design a Monetary policy and analyse the effectiveness of monetary instruments in controlling inflation	R, U,Ap, An, E, C	PSO-3
CO-4	Review the various trends and functions of monetary and financial institutions and suggest suitable policies to revamp these sectors	R,U, Ap, An, E,C	PSO-2,4

**R-Remember, U-Understand, Ap-Apply, An-Analyse, E-Evaluate, C-Create**

*Note: 1 or 2 COs/module*



**Name of the Course: Credits: 4:0:0 (Lecture: Tutorial: Practical)**

CO No.	PSO1	PSO2	PSO3	PSO4	PSO5	PSO6	PO1	PO2	PO3	PO4	PO5	PO6	Average
CO-1	3	-	-	-	-	-	3	2	-	-	-	1	2.25
CO-2	3	-	-	3	-	-	3	2	-	-	1	2	2.333
CO-3	-	-	3	2	-	1	3	3	2	-	1	2	2.125
CO-4	-	3	-	3	1	1	2	3	1	-	3	2	2.11
Average	3	3	3	2.67	1	1	2.75	2.5	1.5	0	1.67	1.75	

**F-Factual, C- Conceptual, P-Procedural, M-Metacognitive**

**Mapping of COs with PSOs and POs:**

**Correlation Levels:**

Level	Correlation
-	Nil
1	Slightly / Low
2	Moderate / Medium
3	Substantial / High

**Assessment Rubrics:**

- Quiz / Assignment/ Quiz/ Discussion / Seminar
- Midterm Exam
- Programming Assignments
- Final Exam

**Mapping of COs to Assessment Rubrics:**

CO No.	Internal Exam	Assignment	Project Evaluation	End Semester Exam
CO-1	✓	-	-	✓
CO-2	✓	✓	-	✓
CO-3	✓	✓	✓	✓
CO-4	✓	✓	✓	✓

