

UNIVERSITY OF MADRAS
B.A. DEGREE PROGRAMME IN ECONOMICS
 SYLLABUS WITH EFFECT FROM 2023-2024

SECOND YEAR - SEMESTER-III

Subject Code	Subject Name	Category	L	T	P	S	Credits	Inst. Hours	Marks		
									CIA	External	Total
204C3A	MONETARY ECONOMICS	Core V					5	5	25	75	100
Learning Objectives											
C1	To understand the theories that governs and its application										
C2	To explains working of the Monetary System and its uses										
C3	To know the Role of Commercial Banks after Nationalisation and its operations										
C4	To compare the monetarism and Keynesianism										
C5	To identify the role of central banks and its operations										
UNIT	Contents									No. of Hours	
I	Money Definition, functions, Importance-Forms of Money- Supply of Money (M1, M2, M3, M4)-Crypto Currencies.									15	
II	Demand for Money Demand for Money: Classical, Keynesian and Baumol's Inventory theoretic Approach- James Tobin's Portfolio Approach - Milton Friedman's Reformulated Quantity Theory.									15	
III	Monetarism Vs Keynesianism Monetarism Vs Keynesianism- Comparison- Determinants of Money Supply – Money Multiplier. Supply Side Policies of Inflation.									15	
IV	Commercial Banks Commercial Banks - Credit Creation – Role of Commercial Banks after Nationalisation- RBI's role in Commercial Banks - Narasimhan Committee Report.									15	
V	Monetary Stability and Central Bank Inflation and Deflation: Definition, Types, Causes and Effects- Demand-Pull and Cost-Push Inflation- Central Bank Functions - Reserve Bank of India (RBI) -Monetary Policy and its Operations in India.									15	
Total									75		

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Course Outcomes		Programme Outcomes
CO	On completion of this course, students will	
1	Acquire knowledge of Money and its Functions.	PO1,PO2
2	Understand the Demand for Money and its Determinants.	PO1,PO2
3	Acquire information on Supply of Money and its Determinants.	PO1,PO2
4	Understand operations of Commercial Banks and Money Multiplier.	PO1,PO2,PO3
5	Identify the Monetary Policy Implications	PO1,PO2,PO8
Textbooks		
1	Gupta R.D. (1995), Keynes and Post Keynesian Economics, Kalyani Publishers, New Delhi.	
2	Jhingan M. L. (2004), Monetary Economics, Konark Publication, New Delhi.	
3	JagdishHanda, "Monetary Economics", Talyor& Francis, 2008	
4	L. Blume, Steven Durlauf, "Monetary Economics", Palgrave Macmillan, 2016	
5	Keith Bain, Peter Howells, "Monetary Economics:Policy and Its Theoretical Basis"", Macmillan, 2009	
Reference Books		
1.	Vaish M.C. (2004), Money, Banking and International Trade, New Age International (P) Ltd, New Delhi.	
2.	Sundaram K.P.M. (1996), Money, banking and International Trade, Vikas, New Delhi.	
3.	Basil J. Moore (1965), An Introduction to the theory of Finance, Oxford University Press.	
4.	Sethi, T.T. (2003). Monetary Economics: S. Chand and Co., New Delhi	
5.	Ghosh, B.N. and Rama Ghosh. (1989). Fundamentals of Monetary Economics, Himalaya Publishing House, Mumbai	
Web Resources		
1.	www.rbi.org.in	
2.	https://www.imf.org	
3.	https://www.oecd.org	
4.	https://www.bis.org/publ/work437.pdf	
5.	https://www.worldbank.org/	

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Mapping with Programme Outcomes:

	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8
CO 1	3	3	3	3	3	3	3	3
CO 2	2	3	3	3	3	3	3	3
CO 3	3	3	3	2	2	3	3	3
CO 4	3	3	3	3	3	2	3	3
CO 5	3	3	3	3	3	3	2	3
Weightage	14	15	14	14	15	14	14	15
Weighted percentage of course contribution to POS	2.8	3.0	3.0	2.8	2.8	2.8	2.8	3.00

S-Strong-3 M-Medium-2 L-Low-1

Level of Correlation between PSO's and CO's

CO /PO	PSO1	PSO2	PSO3	PSO4	PSO5
CO1	3	3	3	3	2
CO2	3	2	3	2	2
CO3	3	2	3	2	2
CO4	3	2	3	2	2
CO5	3	3	3	3	3
Weightage	15	12	15	12	11
Weighted percentage of Course Contribution to PSOs	3	2.4	3	2.4	2.2

S-Strong-3 M-Medium-2 L-Low-1