

SRI VENKATESWARA UNIVERSITY – TIRUPATI
III SEMESTER
(w.e.f. AY 2024-25)
MINOR
SUBJECT : FINANCIAL MANAGEMENT

Semester	Course Number	Course Name	No. of Hrs/Week	No. of Credits	Marks		
					Int	Ext	Total
III	2	Money, Banking and Financial Markets	4	4	25	75	100

SRI VENKATESWARA UNIVERSITY:TIRUPATI

SEMESTER-III

COURSE 2: MONEY, BANKING AND FINANCIAL MARKETS

Theory

Credits: 4

4 hrs/week

Course Objective:

1. To analyse the impact of money on some of the economy's key variables such as interest rates, inflation, and the banking industry.
2. To exposes students to the theory and functioning of the monetary and financial sectors of the economy.
3. To study the organization, structure and role of financial markets and institutions.
4. To examine interest rates, monetary management and instruments of monetary control.
5. To study the Financial and banking sector reforms and monetary policy with special reference to India.

UNIT I : MONEY

Meaning, functions and classification, Role of money in capitalist, socialist and mixed economies, theories of money supply determination. RBI approach to money supply; High powered money and money multiplier. Monetary standards – Metallic and paper standards, system of note issues in India. RBI approach to money supply; High powered money and money multiplier.

UNIT II : BANKING

Types of Banks. Functions of Commercial banks. Process of credit creation, Purpose and limitations. Liabilities and assets of banks. Commercial banking in India, Nationalization of commercial banks in India. Recent reforms in banking sector in India.

UNIT III: CENTRAL BANKING

Functions of Central Bank. Quantitative and qualitative methods of credit control- Bank rate policy, Open market operations, Cash reserve ratio and selective methods. Role and functions of the Reserve Bank of India.

UNIT IV : FINANCIAL INSTITUTIONS, MARKETS, INSTRUMENTS AND FINANCIAL INNOVATIONS

Role of financial markets and institutions, Structure of money market and capital market — Call money market. Treasury bill market, Commercial bill market including commercial paper and certificate of deposits, Government securities market, Primary and secondary market for securities. Financial sector Reforms in India, Role of Financial Derivatives
Financial Institutions: Types; Banking and Non-Banking Financial Institutions.

UNIT V: INTEREST RATES

Interest Rates Determination; sources of interest rate differentials; theories of term structure

Recommended Books:

1. F. S. Mishkin and S. G. Eakins, Financial Markets and Institutions, Pearson Education
2. F. J. Fabozzi, F. Modigliani, F. J. Jones, M. G. Ferri, Foundations of Financial Markets and Institutions, Pearson Education.
3. Rakesh Mohan, Growth with Financial Stability- Central Banking in an Emerging Market, Oxford University Press, 2011. 32
4. L. M. Bhole and J. Mahukud, Financial Institutions and Markets, Tata McGraw Hill.
5. M. Y. Khan, Indian Financial System, Tata McGraw Hill.

Format of Model Question Paper

Domain Subject: Commerce

Semester-wise Syllabus under CBCS

(w.e.f. 2024-25 Admitted Batch)

SEMESTER - III

Course 2 : MONEY, BANKING AND FINANCIAL MARKETS

Time: 3 hrs

Max. Marks 75

Section A

Answer any Five of the following

5 X 3=15 M

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

Section - B

Answer any Five Questions

(5 ×12 = 60 Marks)

- 11.
- 12.
- 13.
- 14.
- 15.
- 16.
- 17.
- 18.
- 19.
- 20.