

ECONOMICS
B.Com. SEMESTER: 3 (MAJOR)
Paper Code DSC-C-231
Implementation Year 2024-25
Monetary Economics

OBJECTIVE:

Students after the completion of this course are expected to identify the intensive but diversified role of money and monetary policy in the process of economic transformation and development which is required to uplift the quality of life. They will also be able to take systematic policy decision when it is required.

OUTCOME:

The student, after studying this paper will be able to understand the issues in the context of Monetary aspects such as functions and advantages of money in economy, Theories of demand of money, and various concepts of money supply and effects of money supply and demand in the context of inflation. After successful completion of course, the students will acquire adequate knowledge about the credit control policy of RBI, relations between money supply, interest rate, general price level and unemployment.

Unit-1: Basic Concepts

The Definition (Theoretical and Empirical), functions and Advantages of Money. Monetary Theories: Fisher and Cambridge theories of Money- Keynesian Monetary Theory

Unit-2 Supply and Demand for Money

Money Supply Analysis: Concepts of Money Supply, Money Multiplier, Decomposition of High Power Money; RBI's monetary policy – Objectives, Instruments of money and credit control

Unit-3: Theories of Inflation

Concept and Measurement of Inflation. - Demand Pull Inflation, Cost Push Inflation. - Phillips Curve, Causes and effects of inflation, Measures to control Inflation.

Unit-4: Balance of Payment

Basic concepts and accounts, Approaches to Balance of Payments: Elasticity approach, Absorption approach and Monetary approach.

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- Clower, R.W. (1973), Monetary Theory. England: Penguin.
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- Dornbusch, R. and S. Fischer (1987). Macroeconomics (4th ed.). New York: McGraw Hills Book Company.
- Froyen, R.T. (2003), Macroeconomics: Theories and Politics, (7th ed.). New Delhi: Pearson Education.
- Gibson, W.K. & Kaufman G.G. (1975). Monetary Economics: Readings on Current Issues. New Delhi: McGraw Hill.
- Gupta, G.S. (2008), Macroeconomics: Theory and Applications (3rd ed.). New Delhi: McGraw Hill Publishing Company Ltd.
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- Gyanwaly, R.P. (2014), A Survey on Theories of Inflation: Classical to New Political Macroeconomics. Kathmandu: Sunlight Publication.
- Handa, Jagadish (2000), Monetary Economics. London and New York: Routledge, Taylor and Francis Group.
- Heller, H.R. (1977), International Monetary Economics. New Delhi: Prentice Hall, India.
- Khatiwada, Y.R. (1994), Some Aspects of Monetary Policy in Nepal. New Delhi: South Asian Publishers.
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