

COURSE: BA IV SEMESTER

PAPER: CORE

**TITLE: MONEY, BANKING AND PUBLIC FINANCE**

CREDITS: 06

INTERNAL MARKS: 20

THEORY MARKS: 80

**Course Outcomes:**

After successfully completing this course, students will be able to:

1. Understand the nature, role, and functioning of money and banking institutions.
2. Analyze the theoretical foundations of money demand and supply.
3. Evaluate the role and impact of monetary policy in economic development.
4. Interpret the structure and functioning of the financial system.
5. Examine public finance mechanisms and fiscal policies used by governments.
6. Apply fiscal and monetary tools to understand real-world economic scenarios, especially in the Indian context.

**Module I: Money – Concept and Theories**

Definition and Functions of Money, Types of Money: Commodity, Fiat, Fiduciary, Money Supply – Measures and Determinants (M1, M2, M3, M4), Quantity Theory of Money – Fisher and Cambridge Equations, Keynesian Theory of Money and Liquidity Preference Monetarist Approach (Milton Friedman)

**Module II: Banking System and Central Banking**

Commercial Banks – Functions, Credit Creation Process, Role of Commercial Banks in Economic Development, Central Bank – Functions and Objectives, Monetary Policy: Tools and Objectives. Reserve Bank of India – Structure and Functions. Digital Banking – Use of ATMs-Debit / Credit Cards, RTGS/NEFT – Payment Platforms – PhonePe- Paytm-Google Pay, CIBIL – need for CIBIL awareness and NPA. Financial Inclusion.

**Module III: Financial System and Institutions**

Overview of Indian Financial System, Role of Financial Markets – Capital and Money Markets, Development Banks and Non-Banking Financial Institutions (NBFI), Financial Sector Reforms in India, Role of SEBI and NABARD, Financial Inclusion and Microfinance

**Module IV: Public Finance – Introduction and Public Expenditure**

Meaning, Scope and Importance of Public Finance, Principles of Public Finance – Maximum Social Advantage, Types and Causes of Public Expenditure, Effects of Public Expenditure on Production and Distribution, Trends in Public Expenditure in India, Performance Budgeting and Zero-Based Budgeting

**Module V: Public Revenue, Taxation, and Fiscal Policy**

Sources of Public Revenue – Tax and Non-Tax, Classification and Principles of Taxation, Direct and Indirect Taxes – Merits and Demerits, Goods and Services Tax (GST) in India Public Debt –

Types, Effects, and Management, Fiscal Policy – Objectives, Instruments, and Role in Development, Deficit Financing and Fiscal Responsibility in India.

#### References

- "Indian Financial System" – Bharati V. Pathak
- "Money, Banking and International Trade" – M.L. Jhingan
- "Money and Financial Systems" – R.K. Uppal
- "Money, Banking, and Public Finance" – D.M. Mithani
- "Banking Theory and Practice" – K.C. Shekhar and Lekshmy Shekhar
- "Modern Banking: Theory and Practice" – R. K. Uppal
- "Banking and Financial System" – Vasudevan, S.V.
- "Public Finance" – H.L. Bhatia
- "Public Finance" – M.K. Agarwal and K.K. Gupta
- "Public Economics" – R. K. Lekhi & Joginder Singh

P. M. L. M.