

M.Com. 116 Central Banking and Monetary Policy

Unit No.	Topic
1	<p>Changing Role and Need of Central Banking</p> <p>Origin and evolution of Central banking Role of Central Bank in emerging Economies Need and Rationale of Central Bank. Autonomy of Central Banks Evolution of Reserve Bank of India (R.B.I.)</p>
2	<p>Functions and Regulations of Reserve Bank of India</p> <p>2 I. Functions of RBI-</p> <p>A. The Reserve Bank as currency authority: Issue of currency notes, Asset banking for note- issue, Distribution of currency, Currency chests, Recent developments in currency management.</p> <p>B. The Reserve Bank as banker to Government: Maintenance of Government accounts, Banker to the Central Government and the State governments, Management of public debt</p> <p>C. RBI as a Banker's Bank: Controller of Credit, Lender of Last Resort</p> <p>D. RBI as a Custodian/Manager of Foreign Reserves</p> <p>E. Promotional Functions of RBI</p> <p>2 II. Regulation and Supervision of Reserve Bank over Commercial banks. Regulation and supervision over commercial banks: Licensing of banks, Opening of new banks, Branch Licensing, Foreign banks, Cash reserves and liquid assets, Prudential norms, Capital and reserves, Control over methods of operation, New Banking Licensing Policy</p>
3	<p>Para banking activities</p> <p>Control over management, Annual accounts and audit, Subsidiaries of commercial banks, Credit Information Bureau of India Ltd. (CIBIL) Bank Assurance, Portfolio Management Services, Pension Fund Managers, Mutual Fund Business, Underwriting of Bonds of PSUs, Investment in Venture Capital Funds etc.</p>

4	<p>Non-Banking Financial Companies (NBFCs) Meaning and types of NBFCs Role of NBFCs Problems of NBFCs Measures for supervision over NBFCs. Revised Regulatory framework for NBFCs</p>
5	<p>Monetary Policy and Macro-economic environment management: Objectives of monetary policy: Price stability, Generation of employment, Exchange Rate Stability, Balanced growth etc., conflict between objectives: Growth v/s Inflation.</p>
6	<p>RBI's Monetary Policy Committee and the Instruments: A. Formation of Monetary Policy Committee: Purpose, Functions, Constitution and Decision Making; B. Fiscal Policy v/s Monetary Policy C. Instruments of monetary policy -: Mechanism and Effectiveness of the instruments like- Bank Rate, Cash Reserve Ratio, Statutory Liquidity Ratio, Repo Rate, Reverse Repo Rate, Marginal Standing Facilities Rate</p>
7	<p>RBI's Monetary Policy: A. A review of monetary policy of the Reserve Bank of India in the last Five Years – B. Recent policy changes announced by the R.B.I.</p>
8	<p>Reserve Bank of India and Financial Inclusion: A. Meaning of financial literacy and importance of financial literacy B. Meaning of financial inclusion and importance of financial inclusion C. Role of RBI in Financial Inclusion D. R.B.I. and Rural credit: Priority Sector Advances, Role of NABARD E. Microfinance: Meaning of microfinance, functions of microfinance, progress of microfinance.</p>

References:

1. Venugopal Reddy Y.; Monetary & Financial Sector Reforms in India
2. Jhingan M.L., Vrinda; Money, Banking, International Trade And Public Finance- Publications Ltd.
3. Fabozzi Frank J.; Foundation of Financial Markets and Institutions- Dorling Kindersley Pvt. Ltd.
4. Sharma Hemant; Encyclopaedia of Banking and Finance – Cyber Tech Publication, New Delhi
5. Financial Markets and Institutions in India- Dr. Sunil Shete, Success Publications.
6. Indian and Global Economy - Dr. M. U. Mulani, Success Publications
7. Govt. of India- Economic Survey
8. R.B.I.: Functions and Working – R.B.I. Publication.
9. R.B.I. Bulletins.
10. R.B.I. Annual Reports.
11. Reports on Trend & Progress of Banking in India- R.B.I. Publication
12. www.rbi.org.in
13. Monetary & Financial Sector Reforms in India – Y. Venugopal Reddy.
14. Business Aspects in Banking and Insurance- O.P. Agarwal, Himalaya Publishing House
15. Banking Theory and Practice- K.C. Shekhar and Lekshmy Shekhar, Vikas Publishing House Pvt. Ltd.
16. Money, Banking, International Trade And Public Finance- M.L. Jhingan, Vrinda
17. Indian Economy: Essays on money and finance, Dr. C. Rangarajan
18. Monetary Economics for India, Dr. Narendra Jadhav
19. Govt. of India- Economic Survey
20. Trends & Progress of Banking in India- R.B.I. Annual
21. Annual Report on Trend and Progress of Banking in India.