

IV SEMESTER FINANCIAL SYSTEM AND PUBLIC ECONOMICS

Course objectives:

- To enable students to understand various concepts of financial system.
- To enable students to understand how modern money, capital market and Banking system works.
- To help students to understand the role of government in liberalized economic environment.

Module-I: Introduction to financial system 10 hrs

Money market – components – defects of Indian money market – capital market – components and working of capital market. Stock Market – meaning – functions - importance

Module-II: Commercial banking 20 hrs

Commercial banks – role of banks in economic development- Relationship between banker and customer – function – balance sheet – credit creation – portfolio management. Banking services – Cheques – drafts – bills – passbook – ATM – E-banking – Internet banking – mobile banking – Electronic fund transfer – safe deposit vaults – credit cards – debit cards – MICR technology.

Module III: Central Banking and Insurance Services 20 hrs

Central Bank - Functions – Credit control – Quantitative and Qualitative techniques – monetary policy – objectives and uses. Insurance services – importance – IRDA – LIC – General insurance – marine insurance, fire, building, motor insurance. Life insurance – whole life, term, endowment insurance. Other insurance – accident, burglary, medical insurance.

Module IV: Public Finance 15 hrs

Meaning – Public Revenue – taxes – non-tax sources – direct and indirect taxes – merits and demerits – canons of taxation. Tax reforms-GST. Public expenditure – types – economic and non-economic expenditure - canons of public expenditure – Causes for increasing public expenditure in recent years.

Module V: Public debt and Fiscal Policy 10 hrs

Meaning – Need for public debt – Sources of Public borrowing – Classification – Causes for growth of public debt – methods of redemption of debt. Fiscal Policy – Meaning – Objectives – Effects – deficit financing – meaning and effects.

SKILL DEVELOPMENT:

- Prepare a chart showing sources of Public revenue and Expenditure.
- Make report on India's Public debt position since 1991.
- Report on deficit financing during plan period.
- Prepare a report on the Impact of GST
- Visit a local commercial bank and learn the latest techniques used.
- Collect information of various products introduced by banks.
- Prepare a report on credit card, debit card.
- Prepare a report on ATM, Online banking, E-banking.

REFERENCE BOOKS.

1. Money, banking and International trade – K.P.M Sundaram.
2. Banking in India – Pannandikar and Mithani.
3. Banking theory and practice – Dr. P.N Reddy and Appanaiah.
4. Monetary Economics – M.L. Seth.
5. Micro and Macro Economics – Mithani and R.G. Desai
6. Public Finance – Bhatia.
7. Public Finance – B.D. Tyagi.
8. Public Finance – Lekhi.
9. Money, Banking and Public Finance – M. L Seth.
10. Money, Banking and Public Finance – M.L Jingham.