



MASTERS OF ARTS (ECONOMICS)
MA (Economics) Semester – I

Course Code	PA01EECO58	Title of the Course	Central Banking – I
Total Credits of the Course	5	Hours per Week	5

Course Objectives	<ul style="list-style-type: none">• To make student aware about the central bank and its functions.• To explain the various methods implemented by the central bank for credit control.
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Course outline		
Unit	Unit Description	Weightage*
1.	Evolution of Central Banking Definitions, Characteristics of Central Banks, Development of Bank of England and other central banks, present position of central banks. Central Bank as a Note Issue Authority Evolution of Note Issue function, concentration of note issue in central banks, regulation of note issues- principles and methods of note issue, state notes versus bank notes Central bank as a banker, agent and adviser to the government	25%
2.	Central bank as a bankers' bank (a) The custodian of the cash reserves of the commercial banks - Evolution of reserve function, significance of centralized cash reserves, statutory minimum cash reserves in some countries. (b) The bank of rediscount and lender of the last resort - Introduction, origin, scope and significance of rediscount, function of lender of last resort (c) The bank of central clearance, settlement and transfer - Introduction, meaning and significance of central clearance, settlement and transfer, clearance function in England, U.S., India and others.	25%
3.	Methods of Credit Control-1 (a) Objectives of credit control, Techniques of credit control – Quantitative Credit controls. (b) Bank rate technique – Meaning, evolution and mechanism of the technique, short term versus long term rates, decline and revival of the technique, limitations, Dear and Cheap money policy, its assumptions and relevance	25%
4.	Methods of Credit Control-2 (a) Open market operations – Meaning, evolution and mechanism of the technique, bank rate versus open market operations, limitations. (b) Variable reserve requirements –Objectives and mechanism of the technique, open market operations versus variable reserve requirements, limitations. Secondary reserve requirements.	25%



Teaching-Learning Environment	The course would be taught/learnt through various means like lectures, discussions, writing assignments, viva-voce, seminars presentations, browsing online-resources relevant to the content, participating in co-curricular, extra-curricular activities.
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Evaluation Pattern		
Sr. No.	Details of the Evaluation	Weightage
1.	Internal Written / Practical Examination	15%
2.	Internal Continuous Assessment in the form of Practical, Viva-voce, Quizzes, Seminars, Assignments, Attendance, Participation in co-curricular and extra-curricular activities	15%
3.	University Examination	70%

Course Outcomes: Having completed this course, student should be able to :	
1.	Illustrate the functions of central bank in different economic situation.
2.	Evaluate the effects of various credit control measures.
3.	Compare the effectiveness of credit control measures.

Suggested References:	
Sr. No.	Reference Books / Research papers / Reports / Any reference material used for teaching / learning the content in the course outline
1.	Avadhni V.A., Theory and Practice of Central Banking in India, Somaiya Publications, Bombay.
2.	Bhattacharya B.B., Financial Reforms and Financial Development in India, Institute of Management Technology, New Delhi
3.	Bhole L.M., Impacts of Monetary Policy, Himalaya Publishing House, Bombay
4.	Chunkapura P.M., Monetary Policy, Reliance Publishing House, Delhi
5.	De kock M.H. Central Banking, Universal Book stall, New Delhi
6.	Desai Vasant, Money and Central Banking, Himalaya House, Bombay
7.	Ghia and others, Organised Markets, Vora and co. ltd., Bombay.
8.	Ghosh B.N. and Ghosh Rama, Fundamentals of Monetary Economics, Himalaya Publishing House, Bombay
9.	Gupta S.B., Monetary Economics, Institutions, Theory and Policy, S.Chand and Com. Ltd., New Delhi.
10.	Hajela P.D., Problems of Monetary Policy in Underdeveloped Countries – with special reference to India, Lalvani Pub. House, Bombay.
11.	Narain Brij, Money and Banking, S,Chand and co., Delhi



SARDAR PATEL UNIVERSITY
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(Reaccredited with 'A' Grade by NAAC (CGPA 3.25))
Syllabus with effect from the Academic Year 2021-2022

12.	Shekhar K.C., Banking Theory and Practice, Vikas Pub. House Pvt. Ltd.
13.	Simha S.L.N., Modern Banking, Monetary Policy and Finance, Deep and Deep Publications, New Delhi
14.	Sundharam K.P.M., Money, Banking, Trade and Finance, Sultan chand, and sons, New Delhi
15.	Reddy Y.V., Monetary and Financial Sector Reforms in India – A Central Banker's Perspective, UBS Publishers, New Delhi
16.	RBI, Occasional Papers, (1) Vol. 12, No. 3-4, September- Dec. 1991 (2)Vol. 18, Nos. 2&3, June-September, 1997.
17.	RBI, C.D.Deshmukh Memorial Lecture Series, Centenary commemorative Volume
18.	Sen S.N., Central Banking in Underdeveloped Money Markets, Book land private ltd., Calcutta
19.	Kendriya Banking, (Gujarati) Translation of Central Banking (De kock M.H.) Translator Dr. J.H.Adhvaryu