

**Department of Higher Education, Govt. of M.P.**  
**Semester wise Syllabus for post graduation**  
As recommended by Central Board of Studies and  
approved by HE the Governor of M.P.

**M.A. Economics**  
**Semester-II**

MM – 50

**Paper - II Monetary Economics and Banking**

Objective: This paper develops the caliber of the students to understand the banking procedure with its command on money inflow in the market

Unit – 1 Theories of Value of Money-Fisher, Cambridge equations, the cash Balances approach Keynesian Theory of Money and Prices, The Real Balance Effect, Modern - Quantity Theory of Money.

Unit – 2 measures of money stock ,Creation of Credit, Money<sup>1</sup> Multiplier, Instruments of Monetary Controls, Monetary, Policy, its role and effectiveness.

Unit – 3 Inflation Measurement and types of Inflation, Demand and Supply side Inflation, Excess Demand and Inflation, Effects of Inflation, Methods to Check Inflation,stagflation and Anti-Inflation Policy, Inflation and Indian Economy. Inflation and Unemployment, hillips curve, The Relationship between Inflation and Unemployment, Long run Phillips Curve,

Unit – 4 Banking Systems in India. Types of Banks. Bank as Depositories, Demand Deposits,Bank as Financial Intermediaries,Commercial Banking Origin & Growth, Functions of Commercial Banks. Role of Commercial Banks in a Developing Economy. New Trends in Commercial Banking.RBI.

Unit – 5 Business Cycles Meaning and Nature, Theories of trade Cycle Monetary Theory schumpeter, Keynesian, Samulson and Hicks. Non monetary theories of business cycles

**Books Recommended:**

E.J.Shapiro W.H. Bransin	Macro Economic Analysis Macro
M.LJhingan	Economic Theory and Policy Macro
M.C.Vaishya SunilBhaduri	Economic Theory Macro Economic
KK.Kurihara	Theory Macro Economic Analysis Monetary Theory and Public Policy

