



UNIVERSITY OF CALICUT

Abstract

BA Economics Programme - under School of Distance Education - syllabus for the additional paper replacing the Project Study in the Fifth/Sixth Semester of BA Economics (SDE) for 2011-12 admission - approved - implemented - orders issued

UNIVERSITY OF CALICUT

U.O.No. 6640/2013/CU

Dated, Calicut University.P.O, 12.12.2013

*Read:-*1. U.O No. GAIV/B1/269/2009 dated 19-08-2011

2. Minutes of the meeting of the Steering Committee on CCSS UG held on 05.06.2013
3. U.O.No. 2421/2013/CU Dated 02.07.2013
4. Letter received on 03-12-2013 from the Chairman, Board of Studies in Economics (UG)
5. Orders of Vice Chancellor in the file of even No. dated 03-12-2013

ORDER

Vide paper read first above, Orders were issued implementing the scheme and syllabus of BA Economics Programme under Choice Based Credit Semester System in School of Distance Education/Private mode of University with effect from 2011 admission onwards.

The Steering Committee on Choice based Credit Semester System (UG), vide read second above, resolved to amend the existing Regulations of Choice based Credit Semester System under School of Distance Education and vide Clause 4.6 resolved that there will be no Project Work during V Semester (2013-14) as detailed in the Syllabus. Instead, an additional Course (based on the Core Course) will be offered, the examination of which will be conducted in the VI Semester (for 2011-12 CCSS SDE admission) and accordingly vide paper read third above, orders were issued amending the existing Regulations of CCSS UG SDE .

Vide paper read fourth above, the Chairman, Board of Studies in Economics(UG) has forwarded the syllabus for the additional paper replacing the Project Study in the Fifth/Sixth Semester of BA Economics (SDE).

Vide paper read fifth above, Vice Chancellor has accorded permission to implement the additional paper for BA Economics CCSS under SDE Stream replacing the project work in the V and VI semester for BA Economics Programme .

Sanction has therefore been accorded to implement the additional paper for BA Economics CCSS under SDE Stream replacing the Project Study in the Fifth/Sixth Semester of BA Economics (SDE) for 2011-12 CCSS UG SDE admission.

Orders are issued accordingly implementing the additional paper for BA Economics CCSS under SDE Stream replacing the Project Study in the Fifth/Sixth Semester of BA Economics (SDE) for 2011- 12 CCSS UG SDE admission.

The syllabus of the same is uploaded in the University website.

Muhammed S
Deputy Registrar

To

The Director, SDE

Copy to:CE/ Ex Section/ EG Section/ DR and AR SDE/ EX IV/ Tabulation Section/ SDE
Exam / System Administrator with a request to upload the Syllabus in the University
website/ GA I F

Forwarded / By Order

Section Officer

UNIVERSITY OF CALICUT

BA (ECONOMICS) UNDER SDE PROGRAMME (2011 ADMISSIONS)

Syllabus for the Course Replacing the Project Work for Sixth Semester

Course Title: BANKING AND FINANCE

Goal of the Course

The course is designed incorporating topics which students of economics find in the day to day conversation in daily life through new papers and other media. It is designed in such a way as to enable students for self study through accessing materials from online resources, books, financial dailies and other open sources, for which references are given at the end of each module.

The course is designed for the students of UG Economics under SDE stream who are currently at their Sixth Semester and have already completed Five Semesters.

Evaluation

The questions for evaluation of students should be designed in such a way as to test the analytical and descriptive skills and rational thinking of learners. Hence questions of Descriptive type, short explanations, multiple choice and fill in the blanks are recommended.

Module I – Commercial Banking

Meaning of Banks – Origin and growth – Functions of commercial banks – Role of commercial banks in economic development – Credit creation-meaning and basic concepts.

References:

- 1. S. N. Maheswari and R.R. Paul, Kalyani Publishers, Ludhiana (Recent edition)**
- 2. K. C. Shekhar and Lekshmy Shekhar, 'Banking Theory and Practice', Vikas Publishing House Private limited, New Delhi (recent Edition)**

(Note: Students can refer any basic books on banking.)

Model Questions: Descriptive Type

- 1. What is a bank? What are the functions of a commercial bank?**
- 2. Explain the role of banks in the economic development of a country.**

Short Answer Type Questions:

1. Give primary functions of a commercial bank.
2. What are the agency functions of a bank?
3. Loans create deposits. Discuss
4. Write short notes on the following;
 - a) Commercial banks
 - b) Current deposits
 - c) Savings deposits
 - d) Fixed deposits
 - e) Primary deposits
 - f) Derivative deposits

Multiple Choice Questions:

1. The most important function of a commercial bank is:
 - a) Accepting deposits
 - b) Credit creation
 - c) Making investment
 - d) Providing Loans
2. The main objective of a commercial bank is:
 - a) To help the weaker sections
 - b) To ensure rational use of bank credit
 - b) To earn profits
 - c) None of the above
3. Deposits which arise from granting loans are called
 - a) Created deposits
 - b) Primary deposits
 - c) Derivative deposits
 - d) Loan induced deposits

Fill in the blanks:

1. A bank is an institution which accepts _____ from the public. (money, goods)
2. A bank is a _____ institution. (commercial, non-commercial)
3. Term loans mean _____ loans. (short term, long term)
4. Public sector banks are owned by _____. (corporate, government)

Module II – Reserve Bank of India (RBI)

Management and structure of RBI – Functions of RBI – Monetary Policy – Objectives of Monetary Policy – Instruments of Monetary Policy

References: Online resources:

1. www.rbi.org.in
2. rbidocs.rbi.org.in/rdocs/Content/PDFs/FUNCWWE_080910.pdf
3. rbidocs.rbi.org.in/rdocs/Publications/PDFs/RBI_140520012.pdf

(Note: Students can refer any books on banking and financial institutions which discuss Central Banking)

Model Questions: Descriptive Type

1. Explain major functions of Reserve Bank of India
2. Explain the instruments of monetary policy in controlling credit.
3. Explain the ways through which RBI control inflation.

Short Answer Type Questions:

1. What are the objectives of monetary policy?
2. What do you mean by Repo Rate?
3. Distinguish between Repo Rate and Reverse Repo Rate?
4. What do you mean by Marginal Standing Facility (MSF)?

Multiple Choice Questions:

1. Which of the following is not a function of a central bank?
a) Issue of currency b) Accepting deposits
c) Controlling inflation d) Banker to government
2. Which of the following do not come under monetary policy?
a) Bank rate b) Moral suasion c) Taxation d) CRR
3. The rate at which Central Bank rediscounts first class bills and securities is called
a) Open Market Operation b) Bank Rate c) SLR d) MSF
4. Which of the following is considered as a qualitative credit policy?
a) Bank rate b) Repo rate c) Moral suasion d) CRR
5. Inflation can be controlled by raising
a) Bank rate b) Repo rate c) CRR d) All of these

Fill in the blanks:

1. The direct buying and selling of securities and bills in the market by the Central Bank is termed as _____.
2. Raising the SLR will _____ the credit creating capacity of commercial banks.
3. _____ is the present Governor of Reserve Bank of India.
4. _____ Bank is the apex monetary institution of a country.
5. The current CRR is _____ percentage.

Module III – Money Markets

Meaning of Money Market – Constituents of Money Market – Call Money Market, Collateral Loan Market, Acceptance Market, Bill Market – Institutions of Money Market – Commercial Banks, Central Bank, Acceptance Houses, Non-banking Financial Intermediaries – Features of Indian Money Market

References:

1. Shashi K Gupta, Nisha Aggarwal and Neeti Gupta, "Financial Markets and Institutions", Kalyani Publishers, New Delhi (Recent Edition)

Online resources:

2. en.wikipedia.org/wiki/Money_market
3. en.wikipedia.org/wiki/Money_market_in_india
4. Study-material4u.blogspot.in/2012/07/chapter5-indian-money-market.html
(Note: Students can refer any books on financial markets)

Model Questions: Descriptive type

1. What is a money market? Give an account of the important constituents of a money market?
2. Explain the important institutions of a money market.
3. Discuss the features on Indian money market.

Short Answer Type Questions:

1. Indian money market is underdeveloped. Justify with your arguments.
2. What are the constituents of a money market?
3. What do you mean by a collateral loan market?
4. What do you understand by Non Banking Financial Intermediaries?
5. Explain the functioning of Acceptance houses.

Multiple Choice Questions:

1. Money market deals in:
a) Money b) Short term funds c) credit d) bonds
2. The market for very short period loan is called
a) Money market b) Collateral loan market c) Call money market d) bill market
3. A developed money market is characterized by:
a) Absence of a strong central bank b) Lack of integration between submarkets
b) Presence of integrated banking system d) isolation from international markets

Fill in the blanks:

1. Treasury bill is a _____ paper.
2. _____ market is a heterogeneous market.
3. Money market deals with _____ loans.
4. A _____ money market requires the presence of specialized institutions.

5. Presence of a strong _____ bank is an important feature of developed money market.
6. The money market for a very short period is called _____.

Module IV – Capital Market

Meaning and functions – Components of Capital Market – Important Financial Instruments – Equity shares, Preference shares, Debentures or bonds – The Primary Market – Methods of Public Issue – IPO – Physical shares and Demat shares – Stock Exchanges – Meaning and functions – BSE and NSE – Stock Indices in India – SENSEX and NIFTY – DIIs and FIIs – Securities and Exchange Board of India (SEBI) – Role and Functions.

References:

1. S. Gurusamy, “Capital Markets”, Vijay Nicole Imprints Private Limited, Chennai (Recent edition)
2. Shashi K Gupta, Nisha Aggarwal and Neeti Gupta, “Financial Markets and Institutions”, Kalyani Publishers, New Delhi (Recent Edition)

Online resources:

3. www.sebi.gov.com
4. www.bseindia.com
5. www.nseindia.com

(Note: Students can refer any books on financial markets and institutions)

Model Questions: Descriptive type

1. Give an explanation of the important financial instruments of capital market
2. What do you mean by stock exchange? Explain its important functions.
3. Discuss the powers and functions of SEBI.

Short Answer Type Questions:

1. What do you mean by capital market? What are its components?
2. Explain the components of capital market.
3. Distinguish between money market and capital market.
4. What do you mean by Initial Public Offer (IPO).
5. Distinguish between physical shares and demat shares.
6. Briefly explain FII investment in India.

7. What do you mean by SENSEX and Nifty?
8. What is the distinction between an equity share and debenture?

Multiple Choice Questions:

1. Capital market provides
 - a) Short term funds
 - b) Long term funds
 - c) Loans
 - d) All of these
2. Capital market deals in
 - a) Bills of exchange
 - b) Treasury bills
 - c) Shares and debentures
 - d) Money proper
3. SENSEX is a composite index consisting of shares of :
 - a) 50 companies
 - b) 100 companies
 - c) 30 companies
 - d) 20 companies
4. Return on investment in equity shares is in the form of:
 - a) Interest
 - b) dividend
 - c) stock split
 - d) All of these
5. Geojith Securities is a Kerala based
 - a) Depository participant
 - b) stock exchange
 - c) Merchant bank
 - d) None of these
6. Nifty is the stock index of
 - a) Calcutta Stock Exchange
 - b) National Stock Exchange
 - b) Bombay Stock Exchange
 - d) Cochin Stock Exchange

Fill in the blanks:

1. Stock exchange is the most important institution of _____.
2. Capital market is monitored and controlled by _____.
3. Shares and bonds are important instruments of _____ market.
4. _____ is a composite index of Bombay Stock Exchange.
5. _____ is a method of raising funds from primary market.
6. SEBI was set up in the year _____ under SEBI Act.
7. _____ market is a market for long term funds.

MODEL QUESTION PAPER

Time: Three Hours

Maximum: 30 Weightage

Part A

(Answer All Questions by choosing the correct answer)

1. Deposits which arise from granting loans are called
 - a) Created deposits
 - b) Primary deposits
 - c) Derivative deposits
 - d) Loan induced deposits
2. The rate at which Central Bank rediscounts first class bills and securities is called
 - a) Open Market Operation
 - b) Bank Rate
 - c) SLR
 - d) MSF
3. The market for very short period loan is called
 - a) Money market
 - b) Collateral loan market
 - c) Call money market
 - d) bill market
4. A developed money market is characterized by:
 - a) Absence of a strong central bank
 - b) Lack of integration between submarkets
 - c) Presence of integrated banking system
 - d) isolation from international markets
5. Capital market deals in
 - a) Bills of exchange
 - b) Treasury bills
 - c) Shares and debentures
 - d) Money proper
6. SENSEX is a composite index consisting of shares of :
 - a) 50 companies
 - b) 100 companies
 - c) 30 companies
 - d) 20 companies
7. Geojith Securities is a Kerala based
 - a) Depository participant
 - b) stock exchange
 - c) Merchant bank
 - d) None of these
8. Nifty is the stock index of
 - a) Calcutta Stock Exchange
 - b) National Stock Exchange
 - c) Bombay Stock Exchange
 - d) Cochin Stock Exchange

(8 x $\frac{1}{4}$ = 2 Weightage)

Part B (Short Answer type Questions)

Answers all Questions

9. Public sector banks are owned by _____. (corporate, government)
10. The direct buying and selling of securities and bills in the market by the Central Bank is termed as _____.

11. _____ is the present Governor of Reserve Bank of India.
12. Treasury bill is a _____ paper.
13. Presence of a strong _____ bank is an important feature of developed money market.
14. Capital market is monitored and controlled by _____.
15. Shares and bonds are important instruments of _____ market.
16. _____ is a composite index of Bombay Stock Exchange.
17. _____ is a method of raising funds from primary market.
18. Stock exchange is the most important institution of _____.

(10 x 1 = 10 Weightage)

Part C (Short Essay/Paragraph Type Questions)
Answer any Five questions out of seven

19. Loans create deposits. Discuss
20. Indian money market is underdeveloped. Justify with your arguments.
21. What do you understand by Non Banking Financial Intermediaries?
22. What do you mean by Initial Public Offer (IPO).
23. Distinguish between physical shares and demat shares.
24. Briefly explain FII investment in India.
25. What do you mean by SENSEX and Nifty?

(5 x 2 = 10 Weightage)

Part D (Essay Question)
Answer any Two questions out of three

26. Discuss the powers and functions of SEBI.
27. What is a money market? Give an account of the important constituents of a money market?
28. Explain the ways through which RBI control inflation.

(2 x 4 = 8 Weightage)

