

B.A IInd SEMESTER
ECONOMICS (SEMESTER)

BECO- 202: MONEY, BANKING, AND INTERNATIONAL TRADE

Total Marks: 100 (80- End Semester and 20-Sessional)

Objectives: Having studied the paper, a student will be able to:

- a. Explain the meaning and function of money*
- b. Explain the classical and Keynesian demand for money*
- c. Elucidate the type of banking and monetary policy*
- d. Explain the types of inflation and technique to control inflation.*
- e. Explain the international trade, balance of payment and corrective measure*

Unit 0 Baseline Analysis: Assessment of basic knowledge, Revision of basic concept and objectives.

Unit I: MONEY. Barter economy and money economy, functions of money; money and price level: quantity theory (Cambridge and fisherian versions): money and rate of interest.

Unit II: MONEY DEMAND AND SUPPLY. Classical and Keynesian modes of demand for money: money supply and its components: currency and bank deposits, bank's credit creation process.

Unit III: BANKING. Principles of commercial banking, specialized banks (IDBI and NABARD), Central bank, function of RBI; its monetary policy.

Unit IV: INFLATION. Types of inflation, causes of inflation, demand pull, cost push; structural theories of inflation; inflationary gap; effects of inflation on production, distribution, theories of social justice; Techniques of control of inflation.

Unit V: INTERNATIONAL TRADE. Pure theories of international trade: smith' s absolute advantage, Ricardo's comparative advantage; terms of trade; Balance of payments; Disequilibrium in the balance of trade and payments, corrective measures.

Unit 100 Advanced skills: Seminar presentation, journal/magazine article discussion.

References:

Paul, R. R. (2009) *Monetary Economic*. New Delhi: Kalyani Publication.

Gupta, S. B. (1995). *Monetary Planning in India*, Delhi: Oxford University Press.

Chandler, L. V. (1966). *The Economics of Money and Banking*. Cambridge

(U. A): Hamper and Raw.

Sodersten, Bo (1971). *International Economics*. London: Macmillan.

Mannur, H.G (1999). *International Economics*. Delhi: Vikas Publishing House Pvt.

Salvatore, Dominick (1987) *Theory and Problems of International Economics* (2nd edition) McGraw- Hill: New York

Allen, R.G.D. (1967) *Macro Economic Theory*.

Pathshala. *Money Banking and International Trade*. Retrieved from.

<https://epgp.inflibnet.ac.in/Home/ViewSubject?catid=11>