



Integral University, Lucknow

Effective from Session: 2025-26

Course Code	A080401T /HE212	Title of the Course	Money, Banking and Public Finance	L	T	P	C
Year	II nd	Semester	IV th	6	0	0	6
Pre-Requisite	Intermediate	Co-requisite	None				
Course Objectives	This course exposes students to the theory and functioning of the monetary and financial sectors of the economy. It highlights the organization, structure and role of financial markets and institutions. It also discusses interest rates, monetary management and instruments of monetary control. Financial and banking sector reforms and monetary policy with special reference to India are also covered.						

Course Outcomes

CO1	Given the foundational concepts of money, students will identify the functions, evolution, and classical theories of money including Gresham's Law and Keynesian views.
CO2	Using data and definitions, students will analyze money supply measures, determinants, and assess India's monetary base and multiplier system.
CO3	With reference to commercial banking systems, students will assess credit creation, banking evolution post-nationalization and current sectoral trends.
CO4	Given central banking tools, students will evaluate the role of RBI and analyze credit control methods and policy limitations in India.
CO5	Using the principles of public finance, students will examine government roles in correcting market failures and apply the maximum social advantage criterion.
CO6	Students will evaluate trends and classifications of public expenditure, and analyze its impact and growth within the Indian fiscal system.
CO7	Given taxation frameworks, students will analyze tax burden distribution, incidence, and evaluate characteristics of an equitable tax system.
CO8	Using India's fiscal framework, students will assess policy components, Union-State fiscal relations, and Finance Commission recommendations (15th FC).

Unit No.	Content of Unit	Contact Hrs.	Mapped CO
1	Money - Meaning, Functions and Classification; Gresham's Law; Principles and Methods of Note Issue. Quantity Theory of Money - Cash Transaction and Cash Balance Approaches; The Keynesian Approach.	7	CO1
2	Supply of Money: Definitions—Determinants of Money Supply, Measures of Money Supply; High Powered Money and Money Multiplier; Indian Currency system.	7	CO2
3	Commercial Banking: Meaning and types; Functions of Commercial Banks; The process of Credit Creation - Purpose and Limitations; Liabilities and Assets of banks; Evolution of Commercial Banking in India after Independence; A Critical Appraisal of the Progress Of Commercial Banking after Nationalization; Latest Trends in Banking Sector.	7	CO3
4	Functions of a Central Bank; Quantitative and Qualitative Methods of Credit Control - Bank Rate Policy, Open Market Operations, Variable Reserve Ratio and Selective Methods; Role and Functions of the Reserve Bank of India; Objectives and Limitations of Monetary Policy with Special Reference to India. Comparison between commercial and Central Banking.	7	CO4
5	Nature and Scope of Public Finance: Meaning and scope of Public Finance; Distinction between Private and Public Finance; Public Goods Vs. Private Goods; The Principle of Maximum Social Advantage; Market Failure.	8	CO5
6	Public Expenditure: Meaning, Classification and Principle of Public Expenditure; Canons and Effects of Public Expenditure; Trends in Public Expenditure and Causes of Growth of Public Expenditure in India.	8	CO6
7	Taxation: Sources of Public Revenue; Taxation — Meaning, Canons and Classification of Taxes; Division of Tax Burden — The Benefit and Ability-To-Pay Approaches; Impact and Incidence of Taxes; Taxable Capacity; Effects of Taxation; Characteristics of A Good Tax System.	8	CO7
8	Fiscal policy: Components, Instruments, Objectives. Role of Fiscal Policy in Developed and Developing Countries, Budget Structure of the Government of India, State Budget- Sources of Revenues and Expenditures. Major Tax Reforms in India. Fiscal Federalism in India: Union-State Fiscal Relations, Federal Fiscal Imbalances and the Role of Finance Commission. Finances of Local Bodies. Finance commission- Recommendation of 15 th Finance Commission.	8	CO8

Reference Books:

1. Bagchi, Amaresh (2005): Readings in Public Finance, Oxford University Press.
2. Cullis, John & Jones Philip (2009) : Public Finance and Public Choice, Oxford University Press.
3. Eyler Robert (2009): Money and Banking-An International Text, Routledge.
4. Jadhav N, Monetary policy, Financial Stability and Central Banking in India, Macmillan India Ltd.
5. Gupta, S. B (2009) : Monetary Economics-Institutions, Theory & Policy , S. Chand & Company, New Delhi.
6. Head, J.C (1974): Public Goods and Public Welfare, Durham, NC, Duke University Press.
7. Inge Kaul, Pedro Conceicao (2006): The New Public Finance, Oxford University Press.
8. D.G. Pierce & Tysome, P.G., Monetary Economics, Butterworth's, London, 1985.
9. Gurley and Shaw, Money in a Theory of Finance, Brooking Institution, Washington.

E-Learning Source:

<https://swayam.gov.in/>
<http://www.ignouhelp.in/ignou-study-material/>

Course Articulation Matrix: (Mapping of COs with POs and PSOs)											
PO-PSO	PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PSO1	PSO2	PSO3
CO1	3	2	2	2	2	2	3	3	2	1	2
CO2	3	3	2	2	2	2	2	2	2	2	3
CO3	3	3	2	2	2	3	2	2	3	2	2
CO4	3	3	2	2	3	2	3	3	3	2	3
CO5	3	3	2	2	2	3	2	2	2	2	3
CO6	3	3	2	2	2	3	2	2	2	2	3
CO7	3	3	2	2	2	3	2	2	2	2	3
CO8	3	3	2	2	3	3	3	3	3	2	3

1- Low Correlation; 2- Moderate Correlation; 3- Substantial Correlation

Name & Sign of Program Coordinator	Sign & Seal of HoD
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Integral University, Lucknow

Effective from Session: 2025-26

Course Code	A080402T/HE214	Title of the Course	Macroeconomics	L	T	P	C
Year	II nd	Semester	IV th	6	0	0	6
Pre-Requisite	Intermediate	Co-requisite	None				
Course Objectives	The goal of this course is to provide students with a thorough understanding of the fundamental principles of macroeconomics that establish a functional relationship between large aggregates. This course looks at the theories of investment, interest rate, multiplier, accelerator, trade cycle, inflation theory.						

Course Outcomes

CO1	Given the Classical and Keynesian frameworks, students will be able to analyze the determinants of investment, including autonomous/induced investment and savings-investment equilibrium using Marginal Efficiency of Capital.
CO2	Using LDC contexts and theoretical models, students will be able to evaluate the working of the investment multiplier and the accelerator, and assess the effectiveness of the super multiplier.
CO3	Given Classical, Loanable Funds, and Keynesian theories, students will be able to compare interest rate determination models and critique indeterminacy in the liquidity preference framework.
CO4	Using IS-LM derivations, students will be able to analyze equilibrium in product and money markets, and evaluate how changes affect aggregate demand and the AD curve.
CO5	Given price data and economic indicators, students will be able to measure inflation, differentiate types (demand-pull, cost-push, etc.), and evaluate its macroeconomic impact.
CO6	Based on Classical, Keynesian, and Monetarist perspectives, students will be able to compare competing theories of inflation, and apply them to current macroeconomic contexts.
CO7	Using the Phillips Curve and its adaptive/rational modifications, students will be able to analyze the trade-off between inflation and unemployment, and evaluate policy implications.
CO8	Given models by Samuelson, Hicks, and Kaldor, students will be able to explain various trade cycle theories and assess the effects of cyclical fluctuations on economic growth, including real business cycle theory.

Unit No.	Content of Unit	Contact Hrs.	Mapped CO
1.	Types of Investment, Determination of Level of Investment: Classical and Keynesian approach. Theory of Investment - Autonomous and Induced Investment; Marginal Efficiency of Capital; Savings and Investment-Ex-Post & Ex-Ante, Equality and Equilibrium.	07	CO1
2.	Multiplier: Concept, Investment Multiplier and its Effectiveness in LDCs; Principle of Accelerator. Super Multiplier.	07	CO2
3.	Rate of Interest: Classical, Neo-Classical (Loanable fund) and Keynesian Theories of Interest. Indeterminateness in Liquidity Preference Theory.	07	CO3
4.	Equilibrium in the product and money markets: Derivations of the IS and LM functions; changes in IS and LM functions, IS-LM and aggregate demand; shifts in the AD curve.	07	CO4
5.	Inflation: Definition and measurement of inflation, Types of inflation, Impact of inflation, determinants of inflation.	08	CO5
6.	Approach to Inflation-Classical, Keynesian, and Monetarist approach.	08	CO6
7.	The relationship between inflation and unemployment: Phillips Curve. Modified Phillips curve: Adaptive and Rational expectation.	08	CO7
8.	Theories of trade cycles- Samuelson, Hicks, Kaldor; Real business cycle theory.	08	CO8

Reference Books:

1.	Ackley. G (1976): Macroeconomics: Theory And Policy, Macmillan, New York.
2.	Ahuja, H.L (2012): Macroeconomics: Theory and Policy, S. Chand & Company, New Delhi.
3.	Branson, W.A (1989): Macroeconomics Theory and Policy, Harper & Row.
4.	Dornbusch, Rudiger & Startz, Richard (2012): Macroeconomics, Tata McGraw Hill Education.
5.	Dwivedi, D.N (2010): Macroeconomics: Theory and Policy, Tata McGraw Hill Education.
6.	Shapiro, Edward (2005): Macroeconomic Analysis, Galgotia Publications, New Delhi.
7.	Mankiw N.G. and D. Romer (eds.), New Keynesian Economics, (2 Vols.), MIT Press, Cambridge.
8.	Romer D.L., Advanced Macroeconomics, McGraw Hill Company Ltd. New York.
9.	Surrey, M.J.C (1976): Macroeconomic Themes, Oxford University Press.
10.	Sikdar, Saumyen (2011): Principles of Macroeconomics, Oxford University Press, New Delhi.

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CO4	3	3	1	2	2	2	2	2	3	2	3
CO5	3	3	2	2	2	3	3	2	3	2	3
CO6	3	3	2	2	2	3	3	2	3	2	3
CO7	3	3	1	2	2	3	2	2	3	2	3
CO8	3	3	2	2	2	3	3	2	3	2	3

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