

Solapur University, Solapur
New Syllabus For Money & Financial System
B.Com.II
(w. e. f. June 2009)

Section –I

Periods

- Unit 1) Money** - Meaning and Definition of Money , Types of Money , Functions & Constituents of money supply in India (M₁, M₂, M₃, M₄) High Powered money –meaning uses and sources of changes in high powered money. **10**
- Unit 2) Money Market in India-**
- Concept of money market , Nature of money market - Features of money market , Role of Money market in economic development organized money market – call money market – unorganized money market – hawala market – link of money market with other markets (Commodity Market , Capital Market) Money market and economic development – Globalization and money market. **15**
- Unit 3) Value of Money –**
- Quantity theory – Fisher and Cambridge equations – practical significance of value of money. **15**
- Unit 4) Monetary Policy -**
- Meaning –objectives of monetary policy – instruments of monetary policy – Application of monetary policy in recession in inflation – monetary policy and economic development – Limitations of Monetary policy. **10**
- Unit 5) Finance -**
- Role of finance in economy- kinds of finance – financial system – components , financial intermediaries- financial institutions in India – banking and non –banking financial institutions. **10**

Section – II

Unit 1) Banking – meaning –definitions & functions –

- a) Primary functions – accepting deposits - loan advances – Bills discounting.
- b) Secondary functions : Agency functions – utility functions. **10**

Unit 2) Opening & operating Banking Accounts –

- a) Opening & operating Banking accounts – procedure for opening account – know your customer (KUC) norms, Application form – introduction- proof of residence, specimen signature and nomination : their importance – No Frills account.
- b) Operating Deposit account – pay in slips – withdrawal slip – pass book- cheque book, F.D. receipt – premature encashment of fixed deposit & loan against fixed deposit – Recurring deposit.
- c) Closure of accounts – transfer of accounts.
- d) Types of account holder – individual & institutional. **20**

Unit 3) Methods of Remittances –

demand drafts, bankers cheque, mail transfer, telegraphic transfer , electronic fund transfer. **10**

Unit 4) Credit money & Lending Principles

- a) Credit money & credit creation – process and limitations.
- b) Lending principals – safely, liquidity, profitibility, diversification of risks- balancing of profitability and liquidity. Lending practices in India – priority landings. **10**

Unit 5) Technology in Banking –

Need & importance o technology in Banking – ATM-Credit card – debit card – Tele Banking – Net Banking – SWIFT (Society for Worldwide Interbank Financial Telecommunication) concept of Core banking. **10**

Reference Books:-

- 1) Banking Law & Practice in India:- Tannans
- 2) Modern Banking :- Sayers
- 3) Banking Theory & Practice :- K. C. Shekhar
- 4) Modern Banking :- M. C. Vaish
- 5) Money Banking International Trade & Public Finance :- D. M. Mithani

Distribution of marks for the University exams for all faculties.

1. (a) 20 % Marks – Objectives questions.

40 % Marks - Short notes / short answer type questions/

Short Mathematical type questions

40 % Marks - Descriptive type questions / Long

Mathematical type questions

Out of 20 % Marks for objective questions 10 % marks Should be assigned to multiple choice questions and remaining 10 % be assigned to fill in the blanks / answer in one sentence etc. However, each faculty may decide nature and types of questions to be set subject to distribution of above percentage of marks.

(b) One descriptive type question will be Compulsory Paper setter should mention approximate words limit for short note / short answer type questions except Diagrammatical and Numerical questions.