

1.1 MONETARY SYSTEM

Semester: I	Batch :2022-23
Course Code: 1.1	Course Paper: Hardcore
Internal Marks:30	External Marks:70
Weekly Hours:4 (Theory)	Credit: 4

Syllabus:

Module 1: Money: Introduction & Invention of Money, Meaning, Definition, Evolution: Stages(Barter System to Bitcoin), Characteristics, Functions, Approaches, Types of Money, Role of Money, Importance of Money, Evils of Money, Money and Near Money, Time Value of Money, **Circular Flow of Money** – Sectors. Theories of Value of Money - Quantity Theory of Money:Fisher's Transaction Approach & Cambridge **Cash Balance** Theory, Income Theory of Money,Liquidity Theory of Money,Friedman's Restatement of the Quantity Theory of Money, Keynesian Theory of Money, Modern Monetary Theory.

Module 2: Monetary Standards: Meaning & Definition, History, Gresham's Law, Types of Monetary Standards: Monometalism, Bimetallism, Paper Currency and Virtual Currency: Features, Types, Reforms, Pros & Cons. Gold Standard: Meaning, Types, Features, Functions, Pros & Cons, **Domestic and International Gold Standards**, Working of Gold Standard: Conditions, Qualities of Good Monetary System.

Module 3: International Monetary System: Meaning & Definition, History, Evolution- Bimetallism before 1875, Classical Gold Standard 1876 – 1913, Interwar Period 1914 – 1944, Bretton Woods System 1945 – 1973 (IMF & World Bank), Flexible Exchange Rate Regime (1972 to Present), Smithsonian Agreement, Triffin's Paradox, Nixon Shock; Characteristics & Importance.

Module 4: International Financial System: Meaning & Definition, International Financial System v/s International Monetary System, Evolution, Components of

International Financial System. Introduction to **International Financial Markets**: Meaning & Definition,

Participants, Elements, Forex Market, Euro Currency Market, Euro Bond Market, Depository Receipts - ADRs, GDRs & IDRs; Bond Market -

Masala Bonds, Green Masala Bonds, Samurai Bond, Yankee Bond, Panda Bonds and others.

Module 5: Balance of Payment & Balance of Trade (BOP & BOT): Introduction to BOP & BOT: Meaning & Definition, Features, Components, Structure of BOP, BOP v/s BOT, Equilibrium & Disequilibrium in BOP, Types and Causes of Disequilibrium in BOP, Methods to Correct Disequilibrium in BOP, Devaluation and Depreciation of Currency – Recent

Trends. Capital Account & Current Account: Meaning, Structure, Convertibility, Capital Account v/s Current Account.