

SEMESTER-IV

COURSE 8: MONETARY ECONOMICS

Theory

Credits: 4

4 hrs/week

Course Objective: To provide students with a comprehensive understanding of the theoretical and practical aspects of money, banking, and monetary policy in the modern economy, including trends in the digitalization of the economy.

Course Learning Outcomes:

After successful completion of this course, the students will be able to

1. Understand the functions of money and different concepts of money and digital currencies;
2. Explain classical and modern theories of demand for money and their implications;
3. Describe the functions of Commercial banks, NBFCs, and RBI
4. Assess goals of monetary policy and inflation targeting
5. Evaluate the latest developments in the banking sector including net-banking and mobile banking.

Unit - 1: Money – Functions, and Modern Forms

- Money: Definitions, Types and Functions
- Measures of Money Supply: M_1 , M_2 , M_3 , M_4 – RBI definitions
- High Powered Money and Money Multiplier
- Recent Developments: Digital Currency and CBDC (Central Bank Digital Currency – e₹)

Unit - 2: Theories of Demand and Supply of Money

- Quantity Theory : Fisher and Cambridge, Classical Dichotomy
- Keynesian Liquidity Preference Theory
- Post-Keynesian Theories: Tobin and Friedman
- Philips Curve, Rational Expectations

Unit - 3: Financial Markets and Institutions

- Financial Market - Money Market and Capital Market
- Functions of Commercial Banks, Credit Creation Process
- Non Banking Financial Institutions - Role and regulations
- Recent Reforms in Banking Sector - Management of NPA, Mergers, BASEL Norms

Unit - 4: Monetary Policy, Tools and Effectiveness

- Functions of RBI
- Monetary Policy: Meaning, Objectives and Instruments of Monetary Policy: Quantitative and Qualitative
- Transmission Mechanism of Monetary Policy
- Inflation Targeting and Flexible Inflation Targeting (FIT) Framework

Unit - 5: Emerging Trends in Money and Banking

- Cryptocurrencies: Evolution, Features and Challenges.
- Fintech: Blockchain Technology, DeFi
- Financial Innovations: Crowd Funding, Net - banking, Mobile banking
- Digital Finance and Issues in Cybersecurity

References:

1. Prasad, E. S., & Thorne, S. R. (2021). *The Future of Money*. Unabridged. Tantor Media, Inc.
2. **Suraj B. Gupta (2001), *Monetary Economics: Institutions, Theory and Policy*, New Delhi: S. Chand & Company.**
3. **R. Dornbusch and S. Fischer (2010), *Macroeconomics*, New York: McGraw Hills.**
4. **M. L. Jhingan (2013), *Money, Banking, International Trade & Public Finance, 8th Edition*, New Delhi: Vrinda Publications.**
5. Mishkin, F.S. (2006), *The Economics of Money, Banking, and Financial Markets*. London: Pearson-Addison-Wesley Publishers.
6. **RBI Reports** – Annual Report, Financial Stability Report, Digital Payments Report
7. Articles from **BIS, IMF, and World Bank** on digital banking and monetary policy

Suggested Activities:

- Unit-1. Browse RBI's website and submit a small report on any two recent notifications or updates about money supply or digital currency.
- Unit-2. Draw and interpret: Liquidity preference curve, Phillips Curve, Rational expectations-adjusted Phillips Curve
- Unit-3. Visit a local commercial bank or cooperative bank. Prepare a brief report on credit creation, customer services, and digital operations.
- Unit-4. Create visual posters explaining quantitative vs qualitative tools monetary policy with real-world examples.
- Unit-5. Conduct a quiz on common cybersecurity threats (phishing, ransomware). Design an awareness campaign (posters or reels) for safe digital banking.

SEMESTER-IV

COURSE 9: ANDHRA PRADESH ECONOMY

Theory

Credits: 4

4 hrs/week

Course Objective: This course aims to provide an overview of the economic structure of Andhra Pradesh focusing on its policies towards the development of agricultural, industrial, service sectors as well as welfare of the people to achieve the vision of Swarna Andhra 2047.

Course Learning Outcomes:

After successful completion of this course, the students will be able to

1. Understand the key demographic and developmental indicators of Andhra Pradesh;
2. Analyse the pattern of land use, irrigation systems and agriculture reforms in Andhra Pradesh;
3. Assess the progress made in the development of industries and infrastructure in the state;
4. Evaluate the progress made in the growth of service sector, e-governance and trends in labor market in Andhra Pradesh;
5. Suggest efficient budgetary and welfare policies to enhance the living standards of the people in Andhra Pradesh.

Unit 1: Economic Profile of Andhra Pradesh

- Features of Andhra Pradesh Economy, Impact of Bifurcation
- State Domestic Product (SDP): Sectoral contribution and Trends, Per capita Income
- Human Development Indicators: Literacy, Health, Gender, HDI
- Swarna Andhra 2047: Targets and Guiding principles

Unit 2: Agriculture and Allied Sectors

- Land Use and Cropping Pattern: Major crops, GI Crops, Cropping pattern
- Irrigation and Water Resource Management: Sources of Irrigation, Inter linking of rivers
- Agriculture markets: Agricultural Produce Market committees (APMCs), Rythu bazars
- Contribution of Allied Sectors - Forestry, Livestock, Fisheries, Horticulture, Sericulture and Food Processing Industry

Unit 3: Industry and Infrastructure

- New Industrial Policy of Andhra Pradesh
- SEZs and Industrial Corridors: Visakhapatnam-Chennai Industrial Corridor, APIIC
- Key Findings of Andhra Pradesh Annual Survey of Industries
- Infrastructure facilities - Energy, Road Network, Airports and Ports

Unit 4: Services Sector and Employment

- Composition and Growth of Services Sector in Andhra Pradesh
- AP Tourism - Opportunities and Challenges
- IT Sector - initiatives - Data Centers, Quantum Valley, E-governance initiatives in Andhra Pradesh
- Labour Market Issues: Nature of employment, Migration trends

Unit 5: Public Finance and Welfare Schemes

- State Budget and Fiscal Policy: Revenue, Expenditure, Fiscal deficit, Public Debt
- Taxation and Resource Mobilization: GST, State Taxes,
- State share in central taxes
- Flagship welfare programs of Andhra Pradesh

References:

1. Telugu Akademy (2023) *Andhra Pradesh economy*. Hyderabad:Telugu Akademy.
2. Planning Department (2025) *Socioeconomic Survey of Andhra Pradesh 2024-25*, Government of Andhra Pradesh.

Websites:

1. Andhra Pradesh Directorate of Economics and Statistics - <https://des.ap.gov.in/MainPage.do>
2. AP Socioeconomic Survey - <https://apfinance.gov.in/socio.html>

Suggested Activity:

- Unit - 1. Seminar on economic profile of Andhra Pradesh and progress towards the Swarna Andhra 2047 vision through project-based learning.
- Unit - 2. Visit a Local Farm for hands-on experience and insights into agricultural Activities.
- Unit - 3. Visit a Local Farm for hands-on experience and insights into industries and propose investment strategies for the industrial sector in Andhra Pradesh.
- Unit - 4. Organize debate on Social Infrastructure services available in Andhra Pradesh
- Unit - 5. Engage in a mock budgeting exercise to understand public finance and development priorities in Andhra Pradesh.

SEMESTER-IV

COURSE 10: PUBLIC FINANCE

Theory

Credits: 4

4 hrs/week

Course Objective: This course aims to provide an understanding of Public Finance principles, theories, and policies, enabling students to analyse and evaluate issues in government revenue, expenditure and debt management.

Course Learning Outcomes:

After the completion of this course, the students will be able to

1. Explain the basic concepts and principle of public finance;
2. Discuss various sources of public revenue, different theories of taxation, tax systems and incidence of taxation;
3. Analyse various principles, theories, practices of public expenditure;
4. Evaluate the concepts and effects of public debt & deficits and the FRBM Act in India;
5. Illustrate the efficacy of fiscal policy, fiscal federalism and the role of the Finance Commissions in India.

Unit 1: Introduction to Public Finance and Market Failure

- Meaning, Nature, Scope, Importance of Public Finance; Public vs Private Finance
- Principle of Maximum Social Advantage
- Types of Goods: Private, Public, Merit, Club Goods
- Problems of Market Failure, Externalities and Free Riding and Solutions.

Unit 2: Public Revenue

- Sources of Revenue: Tax and Non-tax; Cannons of Taxation
- Theories of Taxation: Benefit Theory, Ability to Pay Theory
- Tax Systems: Progressive, Proportional, Regressive; Types of Taxes: Direct and Indirect
- Incidence and Effects of Taxation

Unit 3: Public Expenditure

- Principles of Public Expenditure (PE); Classification and Effects of PE
- Theories of PE: Wagner's Law, Peacock-Wiseman
- Determinants of PE; Criteria for Public Investment
- Crowding in effect and crowding out effect of public expenditure

Unit 4: Public Debt and Budget

- Public Debt: Meaning, Types, Sources

- Public Debt Management
- Budget: Meaning, Types, Components, Types of Deficits
- Fiscal Discipline and Consolidation, FRBM Act

Unit 5: Fiscal Policy and Fiscal Federalism

- Fiscal Policy: Meaning, Objectives and Mechanism
- Fiscal Federalism - Concept of Vertical and Horizontal Devolution
- Fiscal Federalism in India: Issues and Challenges
- Recent Finance Commission: Objectives and Recommendations

References:

1. Musgrave, R. A. & Musgrave, P. B. (2004), *Public Finance in Theory and Practice*. Fifth edition., TATA McGraw-Hill
2. B.P. Tyagi (2006), *Public Finance*, Meerut: Jai Prakash Nath Co.
3. Bhatia H.L.(1984) *Public Finance*, Ghaziabad: Vikas Publishing House Pvt.Ltd.
4. Dalton, H.,(2009) *Principles of Public Finance*, First edition., Routledge..
5. Stiglitz, J. E (2000), *Economics of the Public Sector*. W W Norton
6. Rangarajan, C. and D. K. Srivastava (2011), *Federalism and Fiscal Transfers in India*. New Delhi: Oxford University Press.
7. Open Source Online Materials & Videos: IGNOU, e-PG Pathasala, Economic Survey, SWAYM, Khan Academy etc.

Suggested Activity:

- Unit 1. Create a presentation highlighting the key principles of public finance.
- Unit 2. Organize a debate on the advantages and disadvantages of different tax Systems.
- Unit 3. Develop a budget proposal for a hypothetical government agency.
- Unit 4. Present a case study on the implementation of the Fiscal Responsibility and Budget Management Act in India
- Unit 5. Organize a panel discussion with experts in public finance to discuss the effectiveness of fiscal policy instruments in achieving economic stability and growth.