



**DEPARTMENT OF ANALYTICAL AND APPLIED ECONOMICS  
UTKAL UNIVERSITY**

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**Head**

**No. Eco-80/2022**

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**NOTICE**

The RBI Endowment Unit of the Department of Analytical and Applied Economics wishes to float an add-on course on the theme “*Monetary Policy in India and Abroad*” (2 Credit) during 14 March 2022 to 6 May 2022 (weekly three days, 3.00 PM to 4.30 PM) through offline mode in Gallery ‘C’ of New Arts Block, Utkal University. The course is of 40 hours duration with group term paper followed by an offline examination. There is no registration fee; however, the candidates have to register by filling the prescribed format (Google Form). A certificate shall be provided after successful completion of the course. Any final year Master / M.Phil / PhD student of the University can join the course.

Interested students are requested to fill up the prescribed registration form (Google Form) given below latest by 5.00 PM of 13 March 2022. For time table and course content, please visit <https://utkaluniversity.ac.in/departments/analytical-and-applied-economics>.

Google Form Link:

[https://docs.google.com/forms/d/e/1FAIpQLSfldqSJD\\_nY8g-dG2Txbu13QOCg\\_PM8hmwfKbPRUAPPGp\\_xmg/viewform?usp=pp\\_url](https://docs.google.com/forms/d/e/1FAIpQLSfldqSJD_nY8g-dG2Txbu13QOCg_PM8hmwfKbPRUAPPGp_xmg/viewform?usp=pp_url)

**Head of the Department**

***PTO: Syllabus of the Add-on Course***

Faculty: **Dr. B. K. Bhoi, RBI Chair Professor**

Target Group: **Final Year Master Degree Students / M.Phil. / PhD. Scholars of any Departments**

The course will cover major issues in monetary theory and policy with an objective to understand global best practices on the formulation and implementation of monetary policy. The main focus of the course will be to take the students beyond the text books and establish a link between monetary theory and practice by central banks. This would make the students up-to-date on monetary policy and help in placement and further research. Basic textbooks suggested below are indicative. Additional readings will be suggested in the classroom on each topic from time-to-time. Basic knowledge on statistics and/or econometrics is required for this course. The certificate will be issued by the Dept. of Analytical and Applied Economics on successful completion of the course.

The outline of the syllabus given below will be completed in about 40 hours (equal to 2 course credit). Online applications are invited for enrolment up to March 13, 2022. Classes will be held from 3 p.m. to 4.30 p.m. on Monday, Tuesday and Friday each week starting from March 14, 2022. To remain up-to-date on the subject, students are expected to read developments in monetary policy in major advanced and emerging market economies, including India.

Grading will be done through a group term paper, a final exam and class assignment(s). Topics for the term paper will be decided in due course. The weights assigned to different exams are as follows:

**Group Term Paper: 30 percent | Final Examination (2 hours): 50 percent | Class Assignments: 20 percent**

**The course outline is given below:**

- 1. Money-Output-Price Relationship** **4 classes (11/2 hours each)**
  - a) Theories of money
  - b) Demand for money (Term Paper)
  - c) Supply of money
  - d) Guidelines on term paper
- 2. Market Clearing versus Market Intervention Hypotheses** **4 classes**
  - a) Classical, neo-classical, monetarist, new-classical schools
  - b) Keynesian, neo-Keynesian, new-Keynesian schools
- 3. Frameworks of Monetary Policy** **4 classes**
  - a) Monetary targeting
  - b) Interest rate targeting
  - c) Inflation targeting
  - d) Indian experience
- 4. Operating Procedure of Monetary Policy** **4 classes**
  - a) Institutional arrangements
  - b) Liquidity forecast and liquidity management
  - c) Choice of instruments
  - d) Communication policy
- 5. Monetary Policy Transmission** **3 classes**
  - a) Channels of monetary policy transmission
  - b) Case studies
- 6. Co-ordination between Monetary Policy and Fiscal Policy** **4 classes**
  - a) Fiscal policy and inflation
  - b) Central bank independence
  - c) Areas of coordination
  - d) Impact of coordination failure
- 7. Monetary Policy Challenges in an Open Economy** **4 classes**
  - a) Impossible Trinity
  - b) Exchange market pressure
  - c) Financial stability

**Suggested Readings:**

1. *Handbook of Monetary Economics*, edited by Benjamin M. Friedman and Michael Woodford, Elsevier, North-Holland, selected topics.
2. Brian Snowdon and Howard R. Vane, (2005). *Modern Macroeconomics: Its Origin, Development and Current State*, Edward Elgar Publishing Limited.
3. *Critique of the New Consensus Macroeconomics and Implications for India*, (2018) Dr. Dillip M. Nachane, Springer (India) Pvt. Ltd.
4. *Report of the Expert Committee to Revise and Strengthen the Monetary Policy Framework* (Chairman: Urjit R. Patel) (January 2014), Reserve Bank of India, Mumbai
5. Clarida, Gali, and Gertler (1999), 'The Science of Monetary Policy: A New Keynesian Perspective', *Journal of Economic Literature*, 37, 1661-1707.
6. Hammond, G. (2012), *State of the art inflation targeting*, CCBS Handbook No. 29, Bank of England, ISSN: 1756-7270, available online.
7. Barro, Robert J., (1995). Inflation and Economic Growth, NBER Working Paper No. 5326, October.