

JANUARY  
2016

# Currency का पूरा इतिहास

FRIDAY

① Steps of editing and making video:-

- (1) video creation
- (2) cursor effect
- (3) make video
- (4) Compressor

## ★ मुद्रा (Currency)!

मुद्रा विनिमय का माध्यम है, जिसे सरकार द्वारा मान्यता प्राप्त रहता है।

माध्याम की उपस्थिति मुद्रा वृद्धि ध्वरी है जिसके चारी और आर्थिक विज्ञान चलाकर समता है।

• मुद्रा का विकास-वस्तु विनिमय व्यवस्था की समस्या को हल करने के लिए तथा आर्थिक गति को तेज करने के लिए।

## • भारत में मुद्रा की शुरुआत:-

छठी वरती शताब्दी ई० पूर्व में हुई। प्रारम्भ में धातु के सिक्के का प्रचलन हुआ।

- \* भारत में सर्वप्रथम सोने के सिक्के - हिन्दुयवन ✓
- \* आवाधिक शुद्ध सोने के सिक्के - कुषाण ✓
- \* अर्वाधिक सोने के सिक्के - शुद्ध काल ✓

| JANUARY | YR 2016       |
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Priorities  
Name: भारत में सिक्कों की रूपरा नाम से शुरुआत की चलवा मा



\* RBJ = (1 April 1935 गठन) :-

भारत में 2 रूपये तथा इससे अधिक के  
खुदा का प्रचलन RBJ द्वारा समाप्त हुआ है।

✓ RBJ द्वारा निर्धारित खुदा मान :-

$$M_1 = C + DD + OD$$

C = कैश

DD = बैंक के पास संग्रहीत जमा

OD = RBJ के पास जमा

$$M_2 \rightarrow M_1 + डाकघर में बचत जमा$$

03 SUNDAY

$$M_3 \rightarrow M_1 + बैंक के पास जमा समस्त जमा$$

(liquidity)

$$M_4 \rightarrow M_1 + डाकघर के समस्त जमा$$

Priorities ● वरिष्ठता के स्तर पर क्रम :-

$$M_1 > M_2 > M_3 > M_4$$

- सर्वाधिक खुदा मान (value) -  $M_3$

- अंकुशित खुदा मान -  $M_1$

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Wk 02 - 004-362

MONDAY

04

• भारत में मुद्रा की क्या अवस्था प्रणाली-1957  
 • 1957 - नया पैसा  
 • 1964 - पैसा

• भारत में वर्तमान में नोट निर्माण  
 अवस्था न्यूनतम मुद्रा की प्रणाली  
 पर आधारित है।

₹ - रुपया - भारत (उदय कुमार)

₹ - डॉलर - USA

¥ - येन - जापान

₹ - पाकुर - किरिन

₹ - घुरी (घुरीपीयत खंय)

₹ - क्लाय - बैंक नोट प्रिय  
 (M.P)

₹ - नारियक - कैरी-रपी नोट प्रिय  
 (मधरुहू)

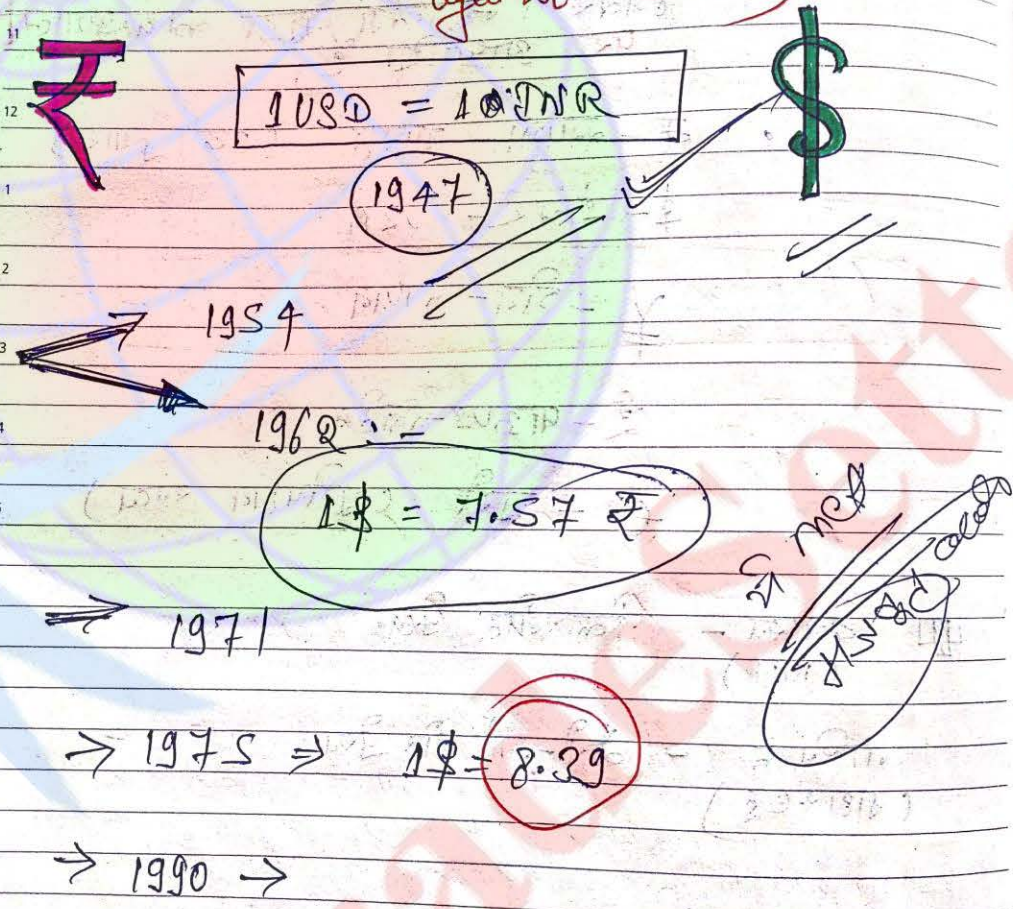
FEBRUARY 2016

Priorities

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# ये प्रश्न होती है Rupee के मुकाबले Dollar की कीमत।  
(How Rupee value is determined against dollar)



Priorities

→ 1993 →

Priorities

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Wk:02 - 006-360

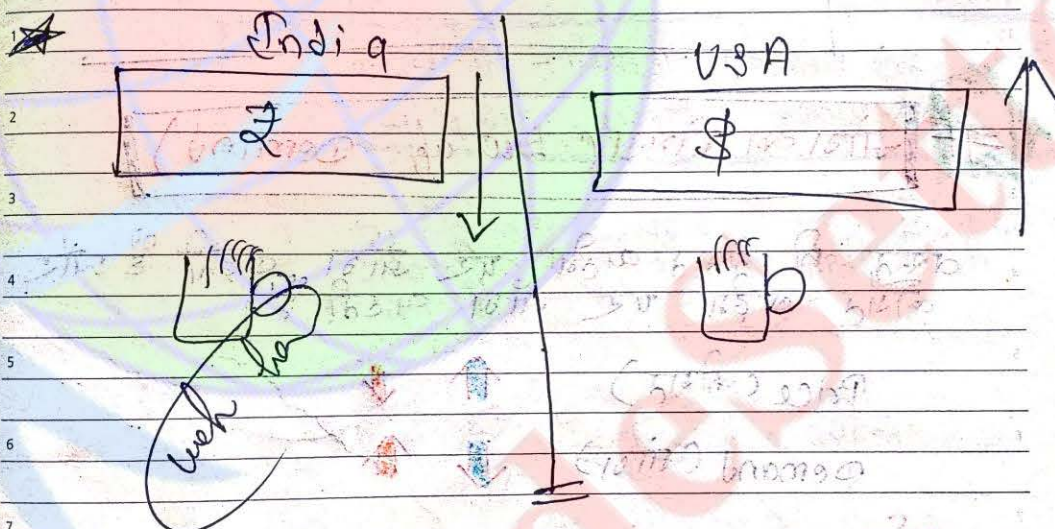
WEDNESDAY

06

9 २००८ → 1\$ = 49₹

10 २०१० → 1\$ =

12 २०१८ → 1\$ = २७० ~~₹~~



CAD → current account deficit

कच्चा तेल

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Priorities



07

Wk 02 - 007-359  
THURSDAY

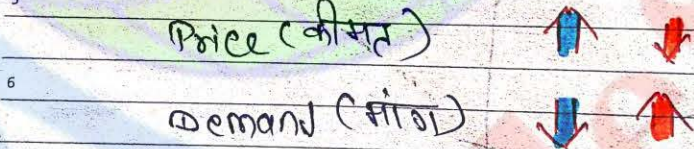
JANUARY  
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**मांग का नियम (Law of Demand)**

वस्तु की कीमत घटने पर मांग बढ़ती है और कीमत बढ़ने पर मांग घटती है।



- शर्त:-**
- आय में परिवर्तन न हो।
  - वस्तु स्वाच्छा है।
  - वस्तु की गुण में परिवर्तन न हो।
  - उपभोक्ता की रुचि में, आदत में परिवर्तन न हो।

**उपवाद:-**

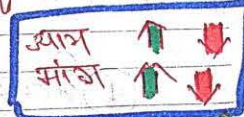
Priorities → मांग का नियम व्यक्ति वस्तुओं (बिक्री) पर लागू नहीं।  
→ यह आपत में लागू नहीं।

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मांग की लीच (Elasticity of Demand)



- मुख्य एवं आय शक्ति में परिवर्तन के कारण मांग में लीच (Elasticity) उत्पन्न होता है।

1. > कीमत लीच (Price Elasticity)

•  $\frac{\text{मांग मात्रा में प्रतिशत परिवर्तन } (\% \Delta Q)}{\text{कीमत में प्रतिशत परिवर्तन } (\% \Delta P)}$

eg. मांग 100 से बढ़कर 105 हो जाती है, जब कीमत 1000 से घटकर 900 हो जाती है, तो लीच कितना है।

उत्तर:

$$\frac{5\%}{10\%} = \frac{1}{2} = 0.5 \text{ लीच}$$

2. > आय लीच (Income Elasticity)

•  $\frac{\text{मांग में प्रतिशत अंतर } (\% \Delta Q)}{\text{आय में प्रतिशत अंतर } (\% \Delta P)}$

eg. मांग 10 से बढ़कर 12 हो जाता है, जब आय 100 से बढ़कर 110 हो जाता है, तो लीच है।

Priorities

उत्तर:  $\frac{20\%}{10\%} = 2 \text{ लीच}$

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09

Wk 02 - 009-357

SATURDAY

$E_d$  = elasticity of demand

JANUARY  
2016

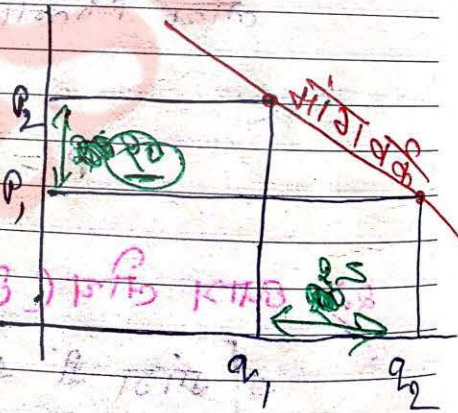
# Elasticity of demand scales:

- 10 (1) लीचदार माँग  $E_d > 1$
- 11 (2) बेलीचदार माँग  $E_d < 1$
- 12 (3) इकाई लीचदार  $E_d = 1$
- 1 (4) शून्य: बेलीचदार  $E_d = 0$
- 2 (5) शून्य: लीचदार  $E_d = \infty$

(1) लीचदार माँग (elastic)  
ex. mob, TV etc

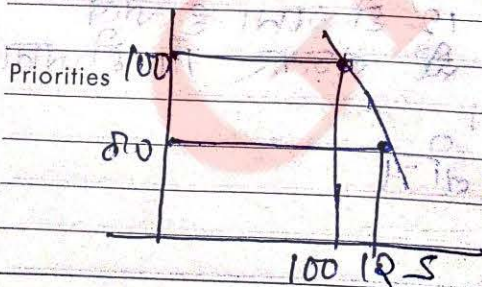
5 माँग 100 से 125 हो जाये जब  
6 खर्च 100 से 80 हो जाता है।

7  $\frac{25\%}{20\%} = \frac{5}{4}$   $E_d > 1$



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$E_d > 1$



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2016

Wk 03 - 011-355

MONDAY

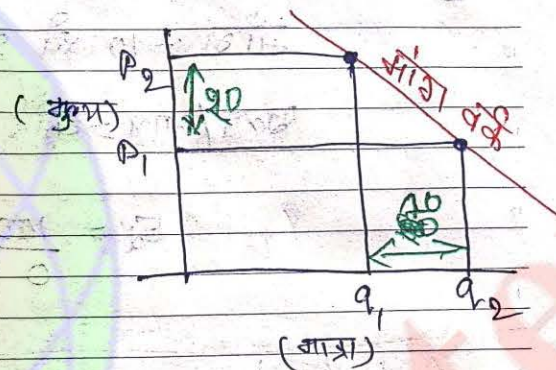
11

2) विलोचकार माँग (inelastic)

व्य. नसक, दवाई

माँग = 100 से 110

दर = 100 से 80



$$E_d = \frac{10\%}{20\%} = \frac{1}{2} = 0.5$$

$E_d < 1$

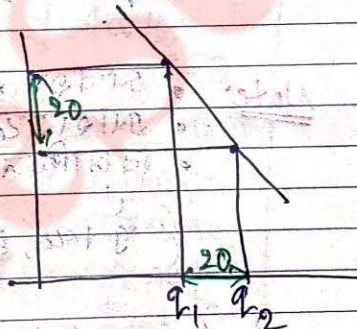
3) इकाई विलोचकार (Unitary elastic)

व्य.

माँग 10 से 12

कीमत/दर 100 से 80

$$E_d = \frac{20\%}{20\%} = 1$$



$E_d = 1$

4) पूर्णविलोचकार (Perfectly elastic)

दर = 10 से 15 / 10 से 5

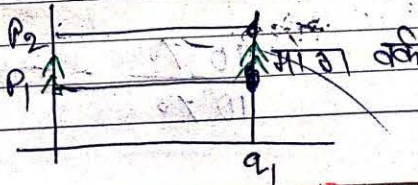
माँग = कोई परिबर्तन नहीं

FEBRUARY 2016

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$$E_d = \frac{0\%}{50\%}$$

$E_d = 0$



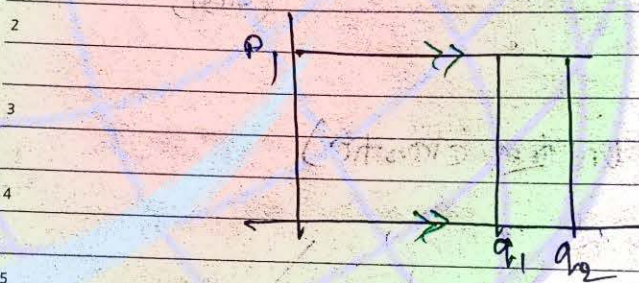


9 (5) इलाक़ा: लीचकार

10 माँग = 10 से 20

11 ख़राब/आग - कोई परिवर्तन नहीं

12 
$$E_v = \frac{100\%}{0\%}$$



- 5
- 6 Note:
- आवश्यक वस्तु बेलाचकार (इसीबा)
  - अपरासदात्मक वस्तु लीचकार
  - विसापिता वस्तु अत्यधिक लीचकार  
(e.g. tolu, इवाइज्जत  
के कनेल)

7 Negative elasticity: ख़राब बढ़े पर माँग नहीं बढ़ी

\* Petrol = ↑ (+) वस्तु = 1 → 100 से 110

Priorities

car = ↓ (-) वस्तु = 2 → 100 से 90

गुति ख़ासि

10%  
10% = इकाई लीचकार

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★ Introduction to Indian economy (How to prepare) (Basic approach)

→ How to prepare economy?

→ Banking: Monetary Policy?

Preparation! - 7 pillars of economy for UPSC! -

Pillar 1! - Basics of micro & macro & Indian economy

class 11th  
• Type of economies  
• LPG reforms

class 12! -  
MICRO  
selected only  
monetary/economy

class 12!  
MACRO  
• GDP, NNP  
• National Income  
• money & Banking

Pillar 2! -

→ Banking - Finance  
• monetary Policy  
• Banking sector  
• Capital market

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Priorities



Pillar 3!

3. Fiscal Policy

- Budget, Taxation
- Subsidies
- Fiscal Deficit

Pillar 4!

4. International

Balance of  
payments

- BOP, CAD current account deficit
- WTO & other org.
- Policies affecting
- G18 mans P2

Pillar 5!

5. Sectors of Economy

- Agriculture
- MSMB, Industries
- Service Sector

Priorities

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Wk 03 - 015-351

FRIDAY

15

Pillar 6!

6. Infrastructure

- energy
- Transport
- ROR - VADAM (rural-urban)

Pillar 7!

7. HRD

- skill development
- Parents
- weaker sections

Type # 1: 7 pillars

- ▷ CSAT, CAPF, CDS
- ▷ RBI - Grade 'B' officers exam
- ▷ GPRC mains GS - economy; Simho State & exam

~~FEBRUARY~~ FEBRUARY 2016

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Priorities



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Wk 03 - 016-350  
SATURDAY

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Type #2: firefighting sufficient -

▷ IBPS: PO/MT, clerk specialt-

▷ RBI assistant

▷ Insurance AO, assistants

▷ SBI clerk PO

▷ SSC (+ then focus)

Focus Area:

1) Bankers finance  
(theory current)

2) Business GK, PIN

3) Budget, scheme

4) then focus on Maths -  
Reasoning → English

17 SUNDAY

Priorities

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JANUARY

2016

Wk 04 - 018-348

MONDAY

18

Non-UPSC

UPSC

2<sup>nd</sup> pillar:

- 11 • Persons in news (PIN)
- Business Gyr
- 12 • economy focuses
- facts
- 1 • figures
- dates
- 2 • name
- numbers

- PIN not asked, Haryana 2-3 marks in CSAT-2014

- Economy focuses on
- Principles, definitions
- Cause-consequence
- Jurisdiction, features
- Pro-acts

~~★ Non essential for economy~~

~~Richard S. Tedlow  
 भारत की अर्थ (Indian economy)  
 Indian economy since independence~~

~~★ Economics Dutt, Sundaram, Uma Kapila~~

| FEBRUARY |   | 2016 |    |    |    | Priorities  |
|----------|---|------|----|----|----|---|
| MON      | 1 | 8    | 15 | 22 | 29 | <div style="border: 1px solid black; padding: 5px; display: inline-block;">Indian economy</div> <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-left: 20px;">General Studies paper-1</div> |
| TUE      | 2 | 9    | 16 | 23 |    |   |
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Indian economy

General Studies paper-1



1) India year book (सर्वोच्च yearly year)

2) Budget speech

3) economic survey (English/Hindi)

4) Newspapers ✓  
↳ (The Hindu)

~~Deadline: by the end of March 2015~~

1) Next 11, 12

2) Lectures material

3) Budget + survey

4) Hindu/Indian Express

(10 question)

Priorities

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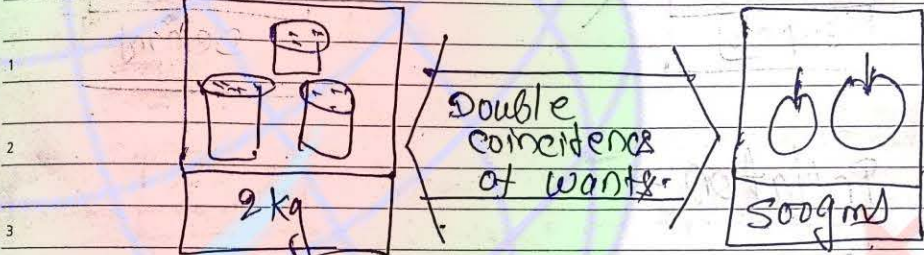


# Banking - monetary Policy introduction:  
(CRR, SLR, OMO)

10

# @ Before money was ~~not~~ invented,

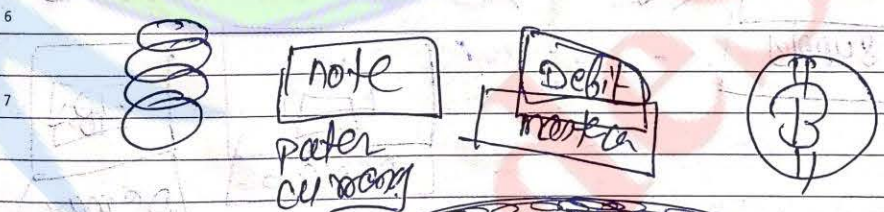
12



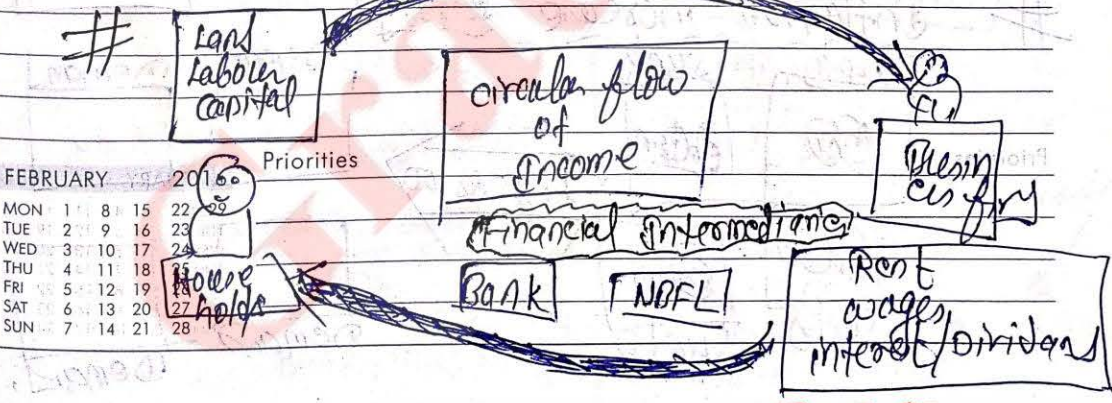
4

# Birth & Evolution

5



7



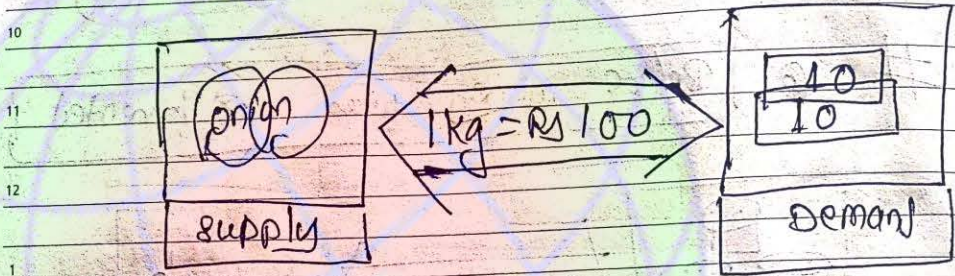
FEBRUARY 2016

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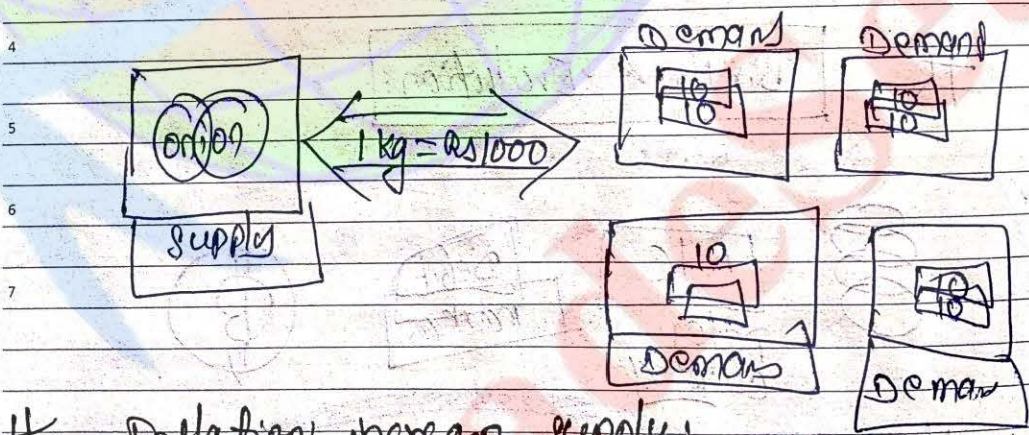




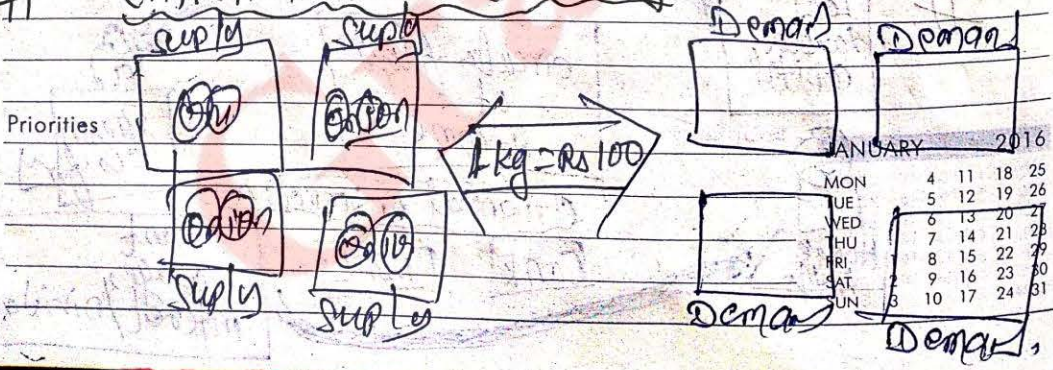
# supply demand



# Inflation:-



# Inflation increase supply:



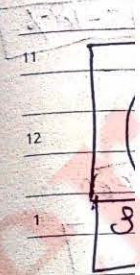
Priorities

JANUARY 2016

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| MON | 4  | 11 | 18 | 25 |
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#

10



2

#

7

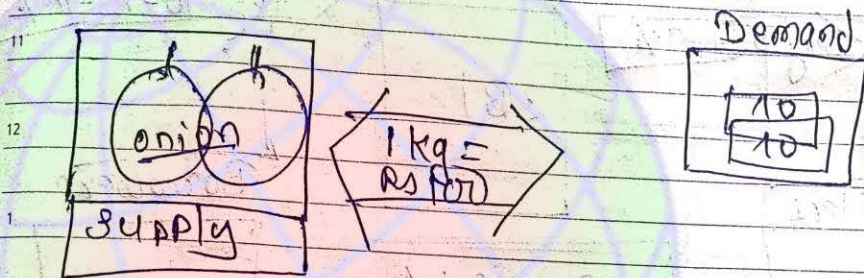
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# Reduce demand by Money supply :-



# Combat inflation | Deflation combat

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> Reduce money supply | <input checked="" type="checkbox"/> Increase money supply |
| <input checked="" type="checkbox"/> Tight money policy  | <input checked="" type="checkbox"/> Easy money policy     |
| <input checked="" type="checkbox"/> Dear money policy   | <input checked="" type="checkbox"/> Cheap money policy    |

# Monetary Policy: Instruments

Quantitative

Qualitative

FEBRUARY 2016

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|-----|---|----|----|----|
| MON | 1 | 8  | 15 | 22 |
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| SAT | 6 | 13 | 20 | 27 |
| SUN | 7 | 14 | 21 | 28 |

- 1. → Reserve ratio (RR)
- 2. → OMO: open market operations
- 3. → Rates (Repo, RR, Bank, MSF, LAF)

- 1. → margin/LTV
- 2. → consumer credit control/Down payment
- 3. → Rationing
- 4. → moral suasion
- 5. → Direct action



23

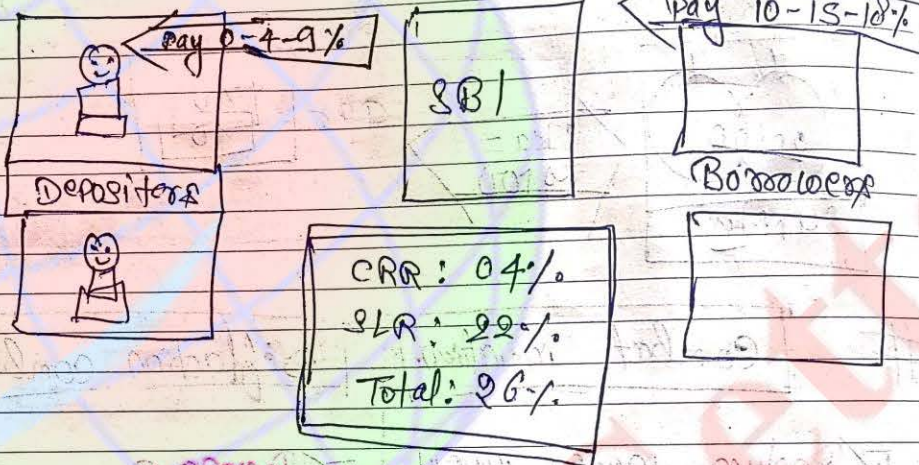
Wk 04 - 023-343  
SATURDAY

JANUARY  
2016

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201



Reserve Ratios



(A) cash reserve ratio (4%)

(B) Statutory Liquid ratio (22%)

Liabilities of a Bank :-

Reserve ratio counted on ~~MON~~ NOTL

24 SUNDAY

Demand Liabilities

Time Liabilities

Current Account (CA)

Saving account (SA)

Priorities  Demand draft

• ~ 8,000 Billion RS

Fixed deposits (FD)

Recurring deposits (RD)

Cash certificates

Staff security deposits

• ~ 70,000 Billion RS

JANUARY 2016

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JANUARY  
2016

Wk 05 - 025-341  
MONDAY

25

1/1/2015

Depositors

Deposits  
+ 100 cr

SBI bank

Took out  
20 cr

Net Demand & Time Liability (NDTL)  
 $100 - 20 = 100$  crores

Time: FDR  
Demand: CASA

NDTL (100 crore)

CRR  
4%

SLR  
22%

can't  
lend  
No profit

Bonds  
- Cash, Gold  
- RBI approved securities

| FEBRUARY 2016 |              |
|---------------|--------------|
| MON           | 1 8 15 22 29 |
| TUE           | 2 9 16 23 30 |
| WED           | 3 10 17 24   |
| THU           | 4 11 18 25   |
| FRI           | 5 12 19 26   |
| SAT           | 6 13 20 27   |
| SUN           | 7 14 21 28   |

Priorities



26

Wk 05 - 026-340  
TUESDAY

JANUARY  
2016

**Cash Reserve Ratio (CRR)**

| Deposit        | Examples              |
|----------------|-----------------------|
| Time Deposit   | FD, RD                |
| Demand Deposit | CASA                  |
| NDTL           | +100 cr.              |
| Reserve ratio  |                       |
| CRR            | (-) 4%<br>(No profit) |

- All Banks
- Penalty
- No profit except MRR
- Right now 4%
- M-A Prof. D Souza report: allow gold-forex investment.
- RBI said No, due to volatility

Priorities

| JANUARY |   | 2016 |       |
|---------|---|------|-------|
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| THU     | 7 | 14   | 21 28 |



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JANUARY  
2016

Wk 05 - 027-339  
WEDNESDAY

27

statutory Liquidity Ratio

Deposit Examples

Time Deposit : FD RD

Demand Deposit : CASA

Net Demand and  
time Liabilities (NOL) +100 cr

Reserve

CRR (-) 4 (No profit)

SLR (-) 22 (some profit)

money left  
with bank = 74 cr

• All banks

• In cash, gold,  
RBI approved  
securities

• some "profit"

• Right now  
22%

epb  
19  
-1  
f  
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x  
2,

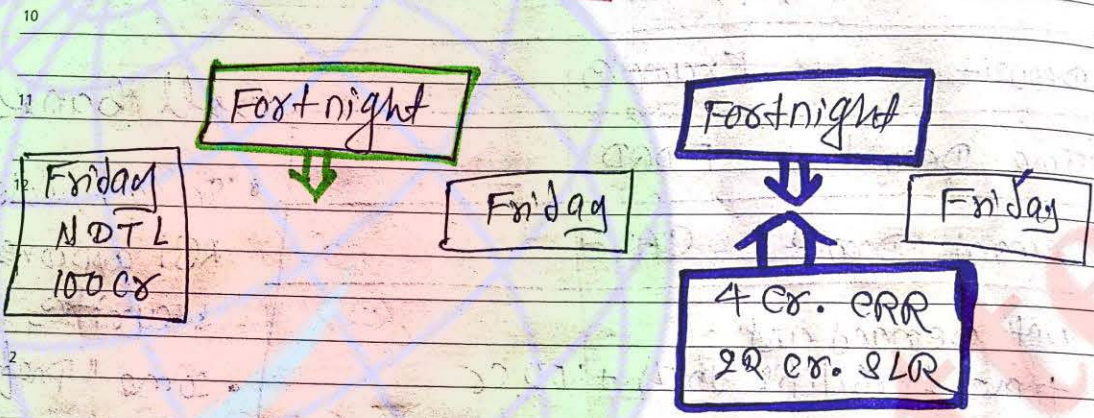
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WED 3 10 17 24  
THU 4 11 18 25  
FRI 5 12 19 26  
SAT 6 13 20 27  
SUN 7 14 21 28

Priorities



① Foxt night lag



② Combat Inflation: -

- ▣ Reduce money supply
- ▣ Tight money policy
- ▣ Dear money policy

25. mm

Priorities

JANUARY 2016

|     |   |    |    |    |    |
|-----|---|----|----|----|----|
| MON | 4 | 11 | 18 | 25 |    |
| TUE | 5 | 12 | 19 | 26 |    |
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| FRI | 1 | 8  | 15 | 22 | 29 |
| SAT | 2 | 9  | 16 | 23 | 30 |
| SUN | 3 | 10 | 17 | 24 | 31 |



Cyclic fluctuation: Inflation

- NP TL of ICICI : 2 cr
- 10% of 2 cr  $\Rightarrow$  20 lakh

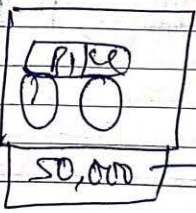
Loan = 10%  
CRR, SLR = 0%

compensating inflation

- RBI raise SLR, CRR
- Bank have less money left
- Need to raise loan
- Need to raise loan interest rate to keep ~~profit~~ margin same.
- 10%  $\downarrow$  cr = 10 lakh
- 20%  $\downarrow$  cr = 20 lakh

Loan: 20%  
CRR, SLR = 50%

Hike in bank loan interest rates:



| FEBRUARY |   | 2016 |    |    |    |  |
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| SUN      | 7 | 14   | 21 | 28 |    |  |

Priorities



30

Wk 05 - 030-336  
SATURDAY

JANUARY  
2016

9 cyclic fluctuations!

10 Inflation

- RBI  $\blacktriangle$  CRR/SLR
- Banks left with less money to lend
- $\blacktriangle$  Interest rates
- People borrow  $\blacktriangledown$
- Demand  $\blacktriangledown$
- Price  $\blacktriangledown$
- Inflation control

Deflation

- RBI decreases CRR/SLR
- Banks are left with more money
- They reduce interest rates to get new clients
- People can borrow more
- Demand  $\Rightarrow$  Price rise.

★ Monetary Policy: Quantitative tools: Reserve Ratio

|            |                  |                  |                      |                      |
|------------|------------------|------------------|----------------------|----------------------|
| 31 SUNDAY  | Inflation fight  |                  | Deflation fight      |                      |
| HOW?       | Tight            | Dear             | Easy                 | cheap                |
| CRR, SLR   | $\blacktriangle$ | $\blacktriangle$ | $\blacktriangledown$ | $\blacktriangledown$ |
| Priorities | Increase         |                  | Decrease             |                      |

JANUARY 2016

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UPPER POTO



FEBRUARY

2016

Wk 06 - 032-334

MONDAY

01

Q1. Find correct statements (9)

A. To combat inflation, RBI should pursue cheap money policy.

B. To combat deflation, RBI should increase ~~its~~ statutory liquidity ratio (SLR)

C. Both A and B

D. Neither A nor B

Answer

x A. wrong: follow ~~near~~ tight

x B. wrong: should decrease SLR

ye. C.

99 D. ~~Not~~ correct answer.

Q2. When RBI increases CRR, it means.

A. RBI will have less money to lend.

B. Government will have less money to spend.

C. Commercial bank will have ~~more~~ more money to lend.

Priorities D. Commercial banks will have less money to lend.

MARCH 2016

|     |   |    |    |    |
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| MON | 7 | 14 | 21 | 28 |
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| THU | 3 | 10 | 17 | 24 |
| FRI | 4 | 11 | 18 | 25 |
| SAT | 5 | 12 | 19 | 26 |
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Answer:

x A. irrelevant x B. irrelevant

ye. C. deflation → reduce CRR D. right



02

Wk 06 - 033-333  
TUESDAY

FEBRUARY  
2016

Rishabh: -  
1000 - fee  
40 → microw notes (15-11-16)  
40 → stiff (15-11-16)  
80  
1080

241 marks cuttoff

| Bi-monthly | 2014     | Bank rate | MSF | REPO | RR | SLR  | CCR |
|------------|----------|-----------|-----|------|----|------|-----|
| First      | April    |           |     |      |    | 23   | 4   |
| second     | June     |           |     |      |    | 22.5 | 4   |
| third      | August   |           |     |      |    | 22   | 4   |
| fourth     | sep      |           |     |      |    | 22   | 4   |
| fifth      | Dec      |           |     |      |    | 22   | 4   |
| surprise   | 15/1/15  |           |     |      |    | 22   | 4   |
| Priorities | 9 feb 15 |           |     |      |    | 22   | 4   |

FEBRUARY 2016

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| MON | 1 | 8  | 15 | 22 | 29 |
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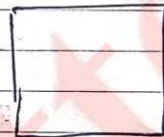
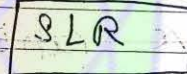
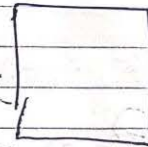
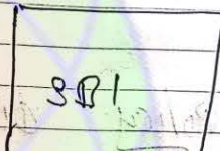
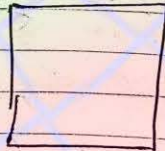
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★ Reserve ratios

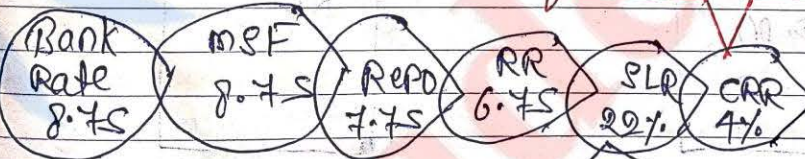


Promised fiscal consolidation

• RBI reduces SLR to flow money in productive sectors of economy

Both counted on NDTA

Have to set aside this much cash in reserve.  
Profit? NO



Bank have to keep this much in cash, gold, G-see & other RBI approved securities.  
Profit? Yes

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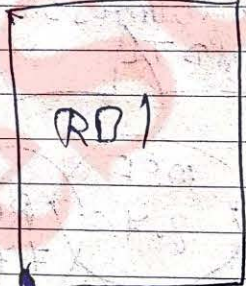


1996 →  
2018 → B.Tech Complete, } 22 years  
2020 → M.Tech IISc, Bangalore } → 24 years.  
2021 →

# Monetary Policy Quantitative tools:-

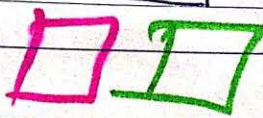
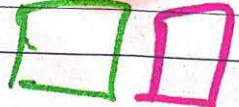
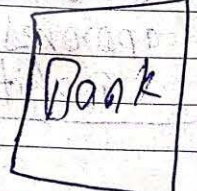
- 1. → Reserve ratio (Real)
- 2. → open market operation (OMO)

# Government securities



# Inflation: open market operation

Priorities



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| MON      | 1 | 8    | 15 | 22 | 29 |
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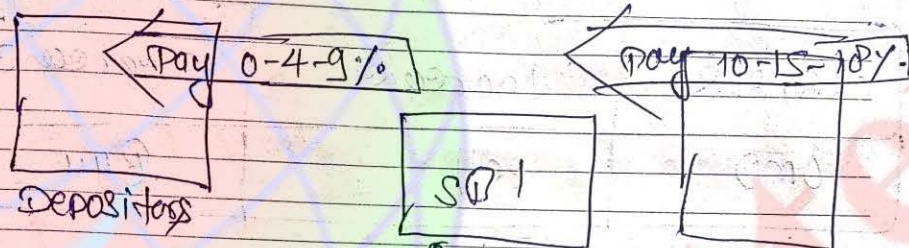
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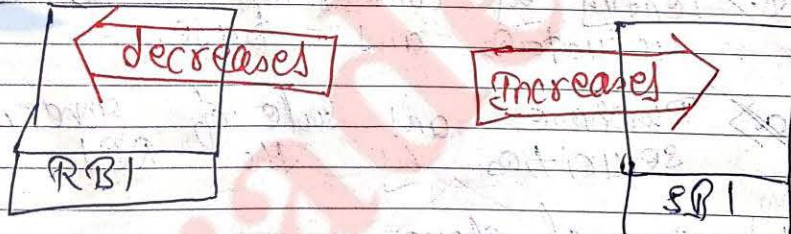
05

Why would banks bother with OMO?



Idle money  
= loss making  
must invest  
G-lee: 8%

Liquidity / money supply :-



| MARCH |   | 2016 |    |    |    |
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| MON   |   | 7    | 14 | 21 | 28 |
| TUE   | 1 | 8    | 15 | 22 | 29 |
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| FRI   | 4 | 11   | 18 | 25 |    |
| SAT   | 5 | 12   | 19 | 26 |    |
| SUN   | 6 | 13   | 20 | 27 |    |

Priorities

|             |                                 |
|-------------|---------------------------------|
| Quant. Tool | Inflation fight<br>Tight / dear |
| CRR, SLR    | Increase                        |
| OMO         | sell                            |



06

Wk 06 - 037-329  
SATURDAY

FEBRUARY  
2016

|             |                               |                               |
|-------------|-------------------------------|-------------------------------|
| Quant. Tool | Inflation fight<br>Tight/dear | deflation fight<br>Easy/cheap |
| ERR, SLR    | Increase                      | Decrease                      |
| OMO         | sell                          | Buy                           |

Q1) → MCB (UPSC-2013)

In context of Indian economy, open market operation refers to

UPSC-2013

A) → Borrowing by scheduled banks from RBI

B) → Lending by commercial banks to industries and trade.

C) → Purchase and sale of government securities by the RBI

07 SUNDAY

D) → None of above

Answer: A) → (Repo Bank)

Priorities

B) → irrelevant

C) → Right

| FEBRUARY |              | 2016 |  |
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| MON      | 1 8 15 22 29 |      |  |
| TUE      | 2 9 16 23    |      |  |
| WED      | 3 10 17 24   |      |  |
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FEBRUARY

2016

(CSAT-2012)

Wk 07 - 039-327

MONDAY

08

9. 2. > which of the following will increase

10. ~~1. >~~  
11. 1.) Purchase of government securities from public by central bank

12. 2. > deposit of currency in commercial bank by the public

1. 3. > Borrowing by government from the central bank

2. 4. > sale of government securities to the public by central bank.

Answer choices:-

A. > only 1

~~B. > 2 and 4~~

~~C. > 1 and 3~~

~~D. > 2, 3 and 4~~

Answer (Apply elimination method)

| MARCH |   | 2016 |    |    |    |
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| FRI   | 4 | 11   | 18 | 25 |    |
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| SUN   | 6 | 13   | 20 | 27 |    |

Priorities

1.) Right

2.) ?

3.) Public finance

4.) Decreases money supply



09

Wk 07 - 040-326  
TUESDAY

FEBRUARY  
2016

Monetary policy

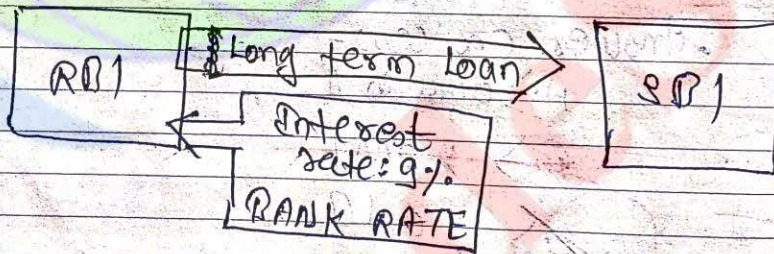
Quantitative tools

1) ~~Reserve ratio (SLR, CRR) (Real)~~

2) ~~open market operation (Real)~~

3) Rates: Bank rate, Repo rate,  
MSF, LAF

# Bank rate meaning?



Collateral: Nothing

Priorities

| FEBRUARY |   | 2016 |    |    |    |
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| MON      | 1 | 8    | 15 | 22 | 29 |
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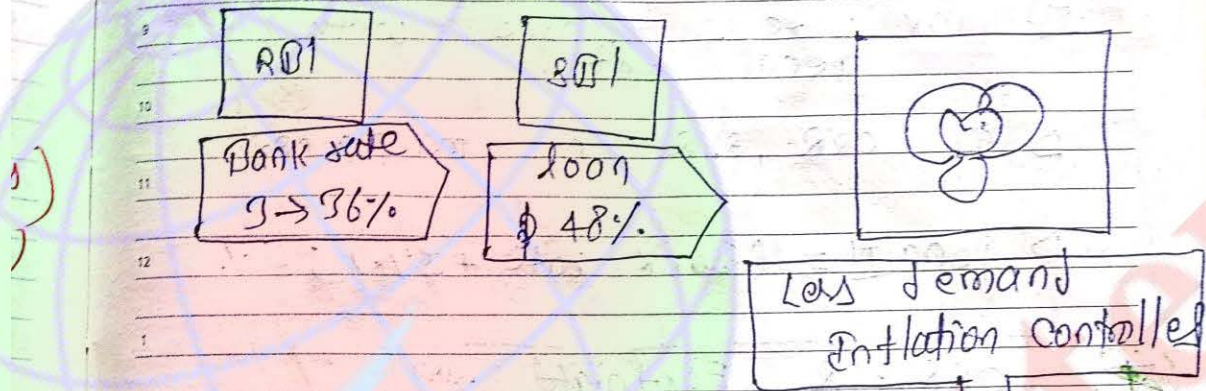


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FEBRUARY  
2016

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WEDNESDAY

10



~~monetary policy~~

| Quant. tool | Inflation fight | Deflation fight |
|-------------|-----------------|-----------------|
| CRR, SLR    | Increase        | Decrease        |
| OMO         | Sell            | Buy             |
| Bank rate   | Increase        | Decrease        |

★ **Bank rate: Why?**

Not the main tool to control money supply these days

MARCH 2016

|     |   |    |    |    |    |
|-----|---|----|----|----|----|
| MON | 7 | 14 | 21 | 28 |    |
| TUE | 1 | 8  | 15 | 22 | 29 |
| WED | 2 | 9  | 16 | 23 | 30 |
| THU | 3 | 10 | 17 | 24 | 31 |
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| SAT | 5 | 12 | 19 | 26 |    |
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LAF Repo rate = policy rate to control inflation



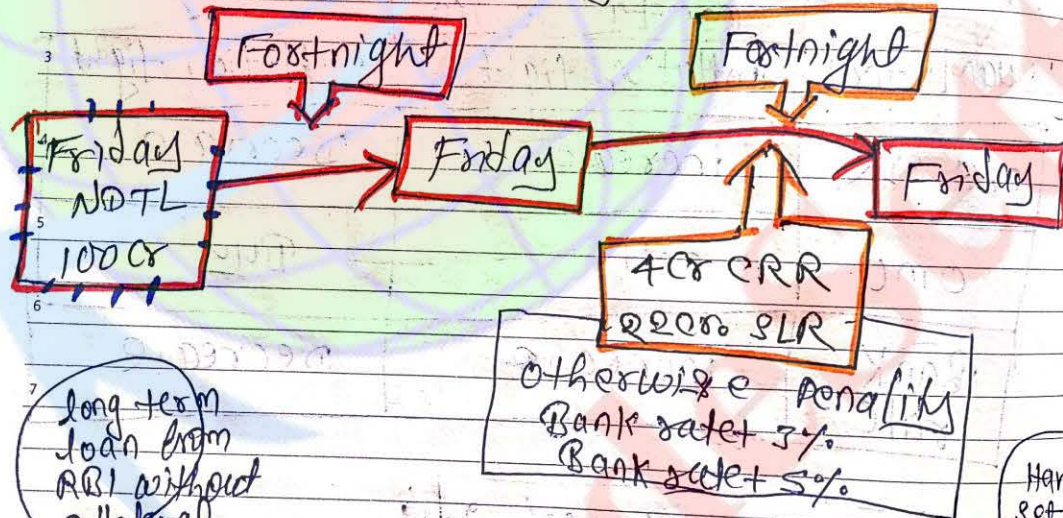
Bank rate is linked with penal rates.

D of CRR, SLR not maintained:

$$D \text{ Penalty} = (\text{Bank rate} + 3\%); 5\%$$



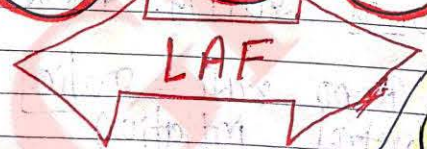
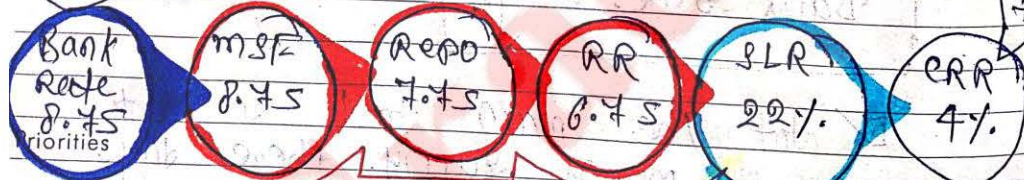
CRR, SLR Fortnight lag



long term loan from RBI without collateral

Otherwise Penalty  
Bank rate + 3%  
Bank rate + 5%

Have to set aside this much else we are not profitable



| FEBRUARY |                  | 2016 |  |
|----------|------------------|------|--|
| MON      | 1, 8, 15, 22, 29 |      |  |
| TUE      | 2, 9, 16, 23     |      |  |
| WED      | 3, 10, 17, 24    |      |  |
| THU      | 4, 11, 18, 25    |      |  |
| FRI      | 5, 12, 19, 26    |      |  |
| SAT      | 6, 13, 20, 27    |      |  |
| SUN      | 7, 14, 21, 28    |      |  |

| MARCH |       |
|-------|-------|
| MON   | 1, 7  |
| TUE   | 2, 8  |
| WED   | 3, 9  |
| THU   | 4, 10 |
| FRI   | 5, 11 |
| SAT   | 6, 12 |
| SUN   | 7, 13 |

Bank have to keep this much in cash, gold, or see & other RBI approved securities, some profit



FEBRUARY  
2016

Wk 07 - 043-323  
FRIDAY

12

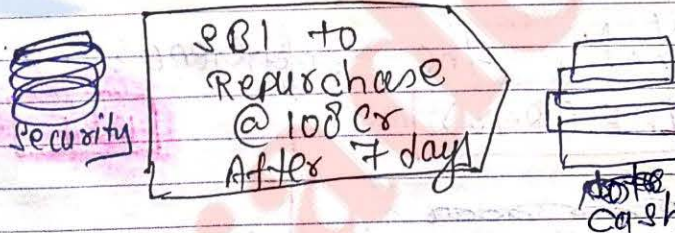
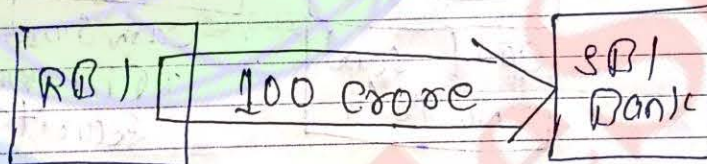


LAF: Liquidity Adjustment Facility (2000)

|              |   |
|--------------|---|
| LAF          | short term loans                                |
| Repo         | when banks borrow from RBI @ 8%                 |
| Reverse Repo | when banks deposit money in RBI @ $8 - 1 = 7\%$ |



Repo rate: meaning?



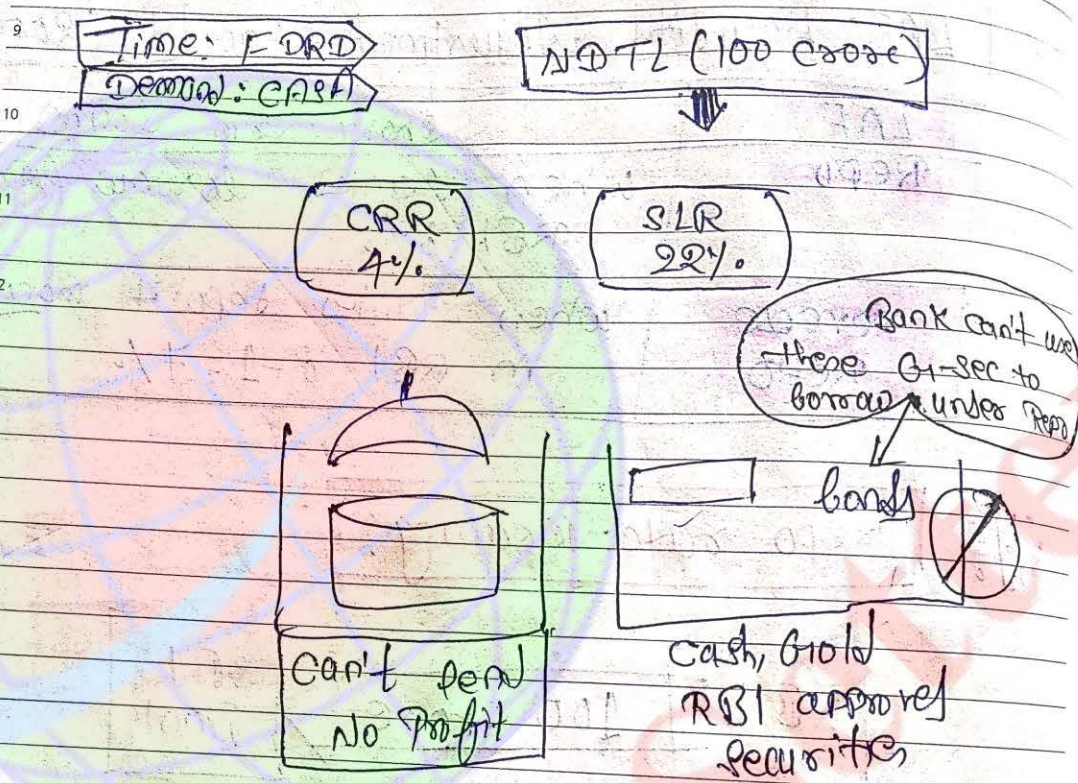
Collateral: G-sec  
But not from SLR

ke  
n. b. i. b

| MARCH |   | 2016  |       |
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| MON   | 7 | 14    | 21 28 |
| TUE   | 1 | 8 15  | 22 29 |
| WED   | 2 | 9 16  | 23 30 |
| THU   | 3 | 10 17 | 24 31 |
| FRI   | 4 | 11 18 | 25    |
| SAT   | 5 | 12 19 | 26    |
| SUN   | 6 | 13 20 | 27    |

Priorities





What's the difference?

**LAF (Repo)**

**MSF**

- 14 SUNDAY
- minimum 5 cr
  - All clients eligible
1. > Central & state Government
- Priorities
2. > All Banks
3. > NBFI (LIC, UTI)

- 1 cr
- only scheduled commercial bank can bid.
- Paid up cap. ST, protected interest of depositors

RBI act 1934, 2nd set

| FEBRUARY |   | 2016 |          |
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| MON      | 1 | 8    | 15 22 29 |
| TUE      | 2 | 9    | 16 23    |
| WED      | 3 | 10   | 17 24    |
| THU      | 4 | 11   | 18 25    |
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| SAT      | 6 | 13   | 20 27    |
| SUN      | 7 | 14   | 21 28    |



FEBRUARY 2016

FEBRUARY 2016

Wk 08 - 046-320  
MONDAY

15

12 to 8:00 - sleep  
8 to 9:00 - Ready for class,

10 to 11:00 - Data structure lecture "1".

use  
Repo

- Bank cannot use SLR quota securities
- No limit Borrow according to your securities.
- R%.

- Can use
- Maximum limit 0.75% NTDL.
- R+1%.

Time: FDRD  
Demand: CASA

NTDL (100 crore)

ERR 4%

SLR 22%

Bank use these or see to borrow under MSF 0.75% of NTDL = 75 lakh borrow

| MARCH 2016 |               |
|------------|---------------|
| MON        | 7 14 21 28    |
| TUE        | 1 8 15 22 29  |
| WED        | 2 9 16 23 30  |
| THU        | 3 10 17 24 31 |
| FRI        | 4 11 18 25    |
| SAT        | 5 12 19 26    |
| SUN        | 6 13 20 27    |





16

Wk 08 - 047-319  
TUESDAY

FEBRUARY  
2016

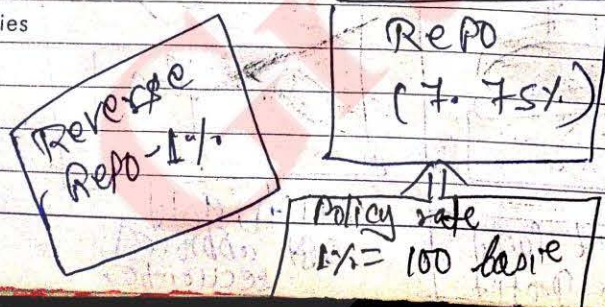
FEBRUARY  
2016

- 10 3 to 4:00 - Exam form
- 4 to 5:00 - share market ~~ATMs share 1-topig~~
- 11 5 to 6:00 - Numerical ~~ATMs~~ → Numerical methods
- 6 to 7:00 - ~~ATMs~~ ~~ATMs~~ ✓ data structure
- 12 7 to 8:00 - Data structure.
- 10 to 11:00 - stock market

Reverse Repo

- 3  Reverse repo rate = "It is interest rate paid by RBI to its clients for short term loans"
- 5  central & state government & all branches, NBFI
- 6  collateral: government securities
- 7  Roll:  $RR = Repo - 1\%$  (100 basic points)
- Dec, 2014 :  $Repo = 8\%$
- Reverse repo =  $8 - 1 = 7\%$

Priorities



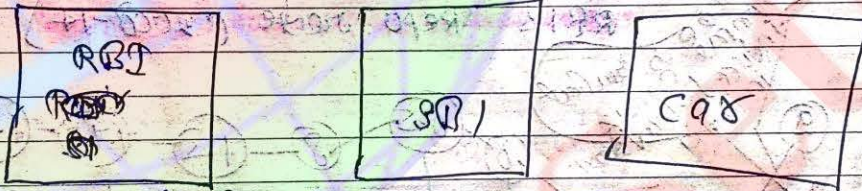
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| TUE      | 2 | 9    | 16 |
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| THU      | 4 | 11   | 18 |
| FRI      | 5 | 12   | 19 |
| SAT      | 6 | 13   | 20 |
| SUN      | 7 | 14   | 21 |

| MARCH |   |
|-------|---|
| MON   | 1 |
| TUE   | 2 |
| WED   | 3 |
| THU   | 4 |
| FRI   | 5 |
| SAT   | 6 |



Points  
 8% decrease  
 by 25 basic  
 points  
 $8.00 - 0.25 = 7.75$   
 (15/Jan/15)

During Inflation



Repo Rate 8%

cars loan 19%

1,00,000

During Inflation: Tight money policy



Repo rate 10%

cars loan 36%

70,000

MARCH 2016

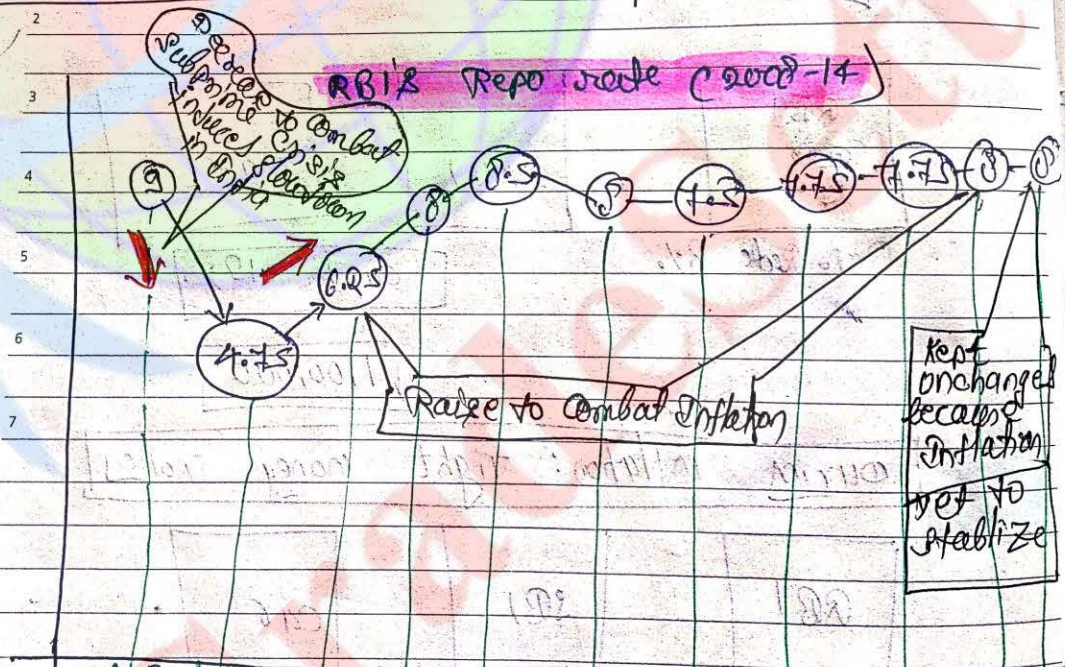
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| MON | 7 | 14 | 21 | 28 |
| TUE | 1 | 8  | 15 | 22 |
| WED | 2 | 9  | 16 | 23 |
| THU | 3 | 10 | 17 | 24 |
| FRI | 4 | 11 | 18 | 25 |
| SAT | 5 | 12 | 19 | 26 |
| SUN | 6 | 13 | 20 | 27 |

Priorities



monetary policy

| Quant. Tool | Inflation fight | Deflation fight |
|-------------|-----------------|-----------------|
| CRR, SLR    | Increase        | Decrease        |
| OMO         | Sell            | Buy             |
| Policy rate | Increase        | Decrease        |



Priorities

FEBRUARY 2016

|     |   |    |    |    |    |
|-----|---|----|----|----|----|
| MON | 1 | 8  | 15 | 22 | 29 |
| TUE | 2 | 9  | 16 | 23 |    |
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BRIJ  
FEBRUARY  
2016

FEBRUARY  
2016

Wk 08 - 050-316  
FRIDAY

19

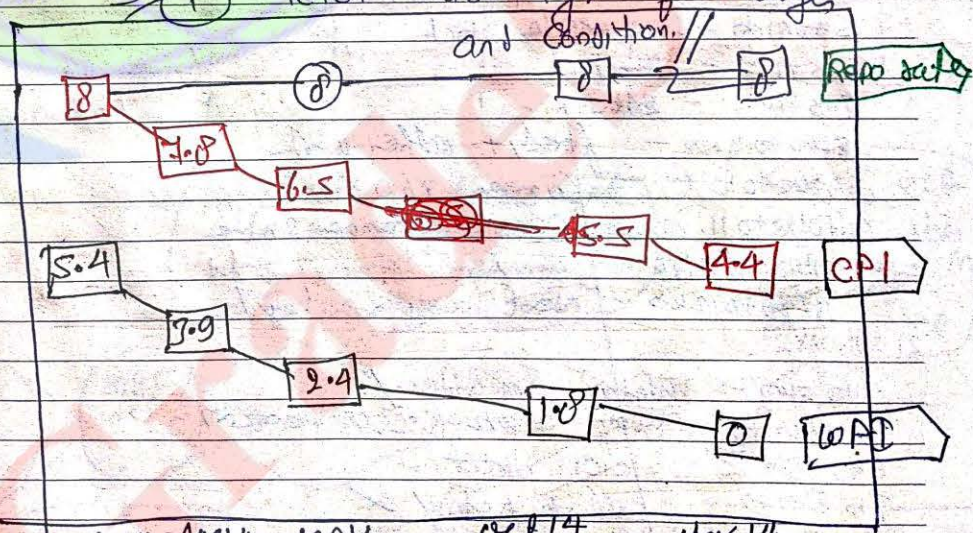
Height  
1  
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12

9 to 10: → alarm set on + Song,  
10 to 11:00 -

ICICI (Bank) - (icici direct)

- (i) → Gold investment
- (ii) → IPO
- (iii) → F&O opening
- (iv) → Currency open

⇒ ICICI various type of charge and condition //



14  
14  
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28

| MARCH |   | Feb 14 | Mar 14 | Apr 14 | May 14 | Jun 14 |
|-------|---|--------|--------|--------|--------|--------|
| MON   | 7 | 14     | 21     | 28     |        |        |
| TUE   | 1 | 8      | 15     | 22     | 29     |        |
| WED   | 2 | 9      | 16     | 23     | 30     |        |
| THU   | 3 | 10     | 17     | 24     | 31     |        |
| FRI   | 4 | 11     | 18     | 25     |        |        |
| SAT   | 5 | 12     | 19     | 26     |        |        |
| SUN   | 6 | 13     | 20     | 27     |        |        |



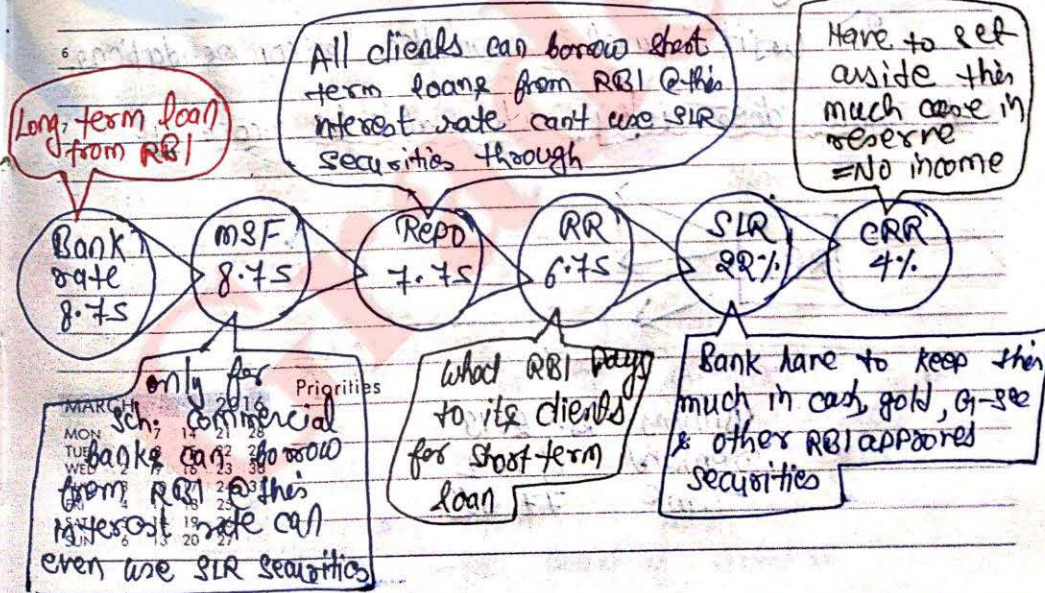
220  
 FEBRUARY  
 2016

FEBRUARY  
 2016

WK 09 • 053-313  
 MONDAY

22

| Bi-monthly | 2014     | Bank Rate | MSF             | Repo | RR   | SLR  | CRR |
|------------|----------|-----------|-----------------|------|------|------|-----|
| First      | April    | 9         | 9               | 8    | 7    | 23   | 4   |
| Second     | June     | 9         | 9               | 8    | 7    | 22.5 | 4   |
| Third      | August   | 9         | 9               | 8    | 7    | 22   | 4   |
| Fourth     | sep, 20  | 9         | 9               | 8    | 7    | 22   | 4   |
| Fifth      | Dec 2    | 9         | 9               | 8    | 7    | 22   | 4   |
| Surprise   | 15/1/15  | 8.75      | <del>8.75</del> | 7.75 | 6.75 | 22   | 4   |
| Sixth      | 9-feb-15 |           |                 |      |      |      |     |
|            |          |           |                 |      |      |      |     |
|            |          |           |                 |      |      |      |     |



016  
 29



23

Wk 09 - 054-312  
TUESDAY

FEBRUARY  
2016

Q: [C&AT-2014]

The terms "Margin standing Facility Rate" and "Net Demands and Time Liabilities", are used in relation to

- A. Banking operations
- B. Communication networking
- C. military strategies
- D. supply and demand of agricultural products.

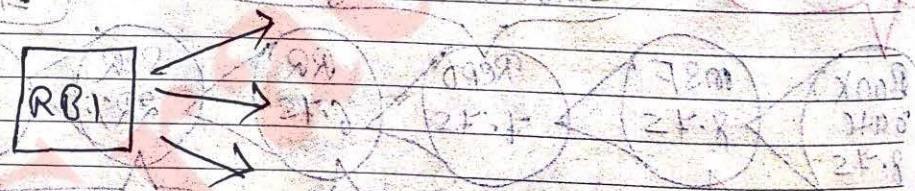
Ans A. Banking operations

**★ Limitation of Monetary Policy:-**

1. Why it failed to contain inflation (2013-14)

2. Why it failed to contain inflation (2013-14)

# How does Policy rate affects economy?



Priorities

Billions Rs. 2013

Demand 142

Time 77, 969

| FEBRUARY 2016 |              |
|---------------|--------------|
| MÓN           | 1 8 15 22 29 |
| TUE           | 2 9 16 23    |
| WED           | 3 10 17 24   |
| THU           | 4 11 18 25   |
| FRI           | 5 12 19 26   |
| SAT           | 6 13 20 27   |
| SUN           | 7 14 21 28   |



JANUARY  
16

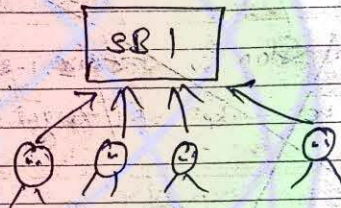
FEBRUARY  
2016

WK 09 - 055-311  
WEDNESDAY

24

Monetary Policy: Limitations (Developing - countries)

1. People don't have many investment alternatives  
Commercial banks have high deposits.



2. Unorganized money market; shroff;  
lack of financial inclusion

3. Monsoon uncertainty, cyclone, flood,  
drought ⇒ supply side constraints

- i) Cause oil, gold import
- ii) Fiscal deficit; public borrowing
- iii) subsidy leakage, black money, underground economy
- iv) Solution: Ugit Patel committee

Committees by RBI:

• BIMAL JALAN

Priorities

- Retired governor
- New bank licenses
- Feb 2014 report given

• NACHIKET MUR

- RBI Board of directors

| MARCH |   | 2016  |       |
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| MON   | 7 | 14    | 21 28 |
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| THU   | 3 | 10 17 | 24 31 |
| FRI   | 4 | 11 18 | 25    |
| SAT   | 5 | 12 19 | 26    |
| SUN   | 6 | 13 20 | 27    |



- Financial products for small businessmen and low income household.
- Financial inclusion: banking, credit investment, insurance + consumer protection.

• URJIT PATEL:-

- By Governor
- Revise and strengthen Monetary Policy framework.

FEBRUARY 2016

|     |   |    |    |    |    |
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| MON | 1 | 8  | 15 | 22 | 29 |
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| FRI | 5 | 12 | 19 | 26 |    |
| SAT | 6 | 13 | 20 | 27 |    |
| SUN | 7 | 14 | 21 | 28 |    |



Ujit Patel Committee

Expert Committee to revise and strengthen the monetary policy framework.

September 2013 - Jan 2014 report.

Recommendation:-

- i) RBI inflation targets (2-6%)
- ii) Government help RBI
- iii) RBI fix accountability

| # | Until Now | Ujit Patel |
|---|-----------|------------|
|---|-----------|------------|

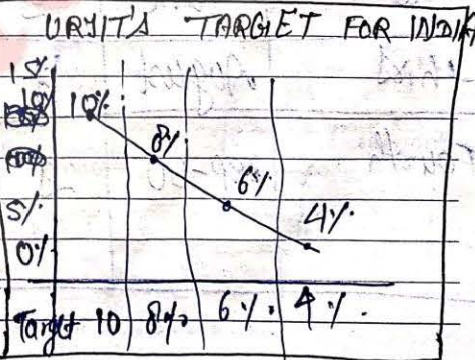
- |   |  |  |
|---|--|--|
| 4 | • WPI  | • CPI (All India Urban & Rural)                |
| 5 | • But 60% GDP comes from service sector.                                 | • minimum inflation: 2%                        |
| 6 | • <b>multi-targets</b> : reduce inflation, GDP growth, employment growth | • maximum: 6%                                  |
| 7 |  | • = 4% (+1-2% band)                            |
|   |  | • similar system in Mexico, S. Africa, Brazil. |

# Nominal anchor 4% CPI: when? Timeframe?

Chile:

- 2008 CPI 25%
- 2009: CPI target 3%
- Priorities (-1% band)

| MARCH | 2016        |
|-------|-------------|
| MON   | 7 14 21 28  |
| TUE   | 8 15 22 29  |
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| FRI   | 11 18 25    |
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| SUN   | 13 20 27    |





**Nominal Anchors 4% CPI: How? RBI**

Reverse Repo -1%

Repo (R%)

MSF +1%

- 1 Policy rate = LAF repo rate
- 2 Decided by voting in MPC
- 3 Reverse repo = 1% (100 basis point)
- 4 MSF = +1%
- 5 Spread +1/-1 should not be changed frequently
- 6 Keep repo higher than CPI

**Monetary Policy - Under Rajan :-**

| Bi-monthly Policy | 2014   | MSF | Repo | RR Repo | CPI Target |
|-------------------|--------|-----|------|---------|------------|
| First             | April  | 9   | 8    | 7       | started    |
| Second            | June   | 9   | 8    | 7       |            |
| Third             | August | 9   | 8    | 7       |            |
| Fourth            | sep-30 | 9   | 8    | 7       |            |

FEBRUARY 2016

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| MON | 1 | 8  | 15 | 22 | 29 |
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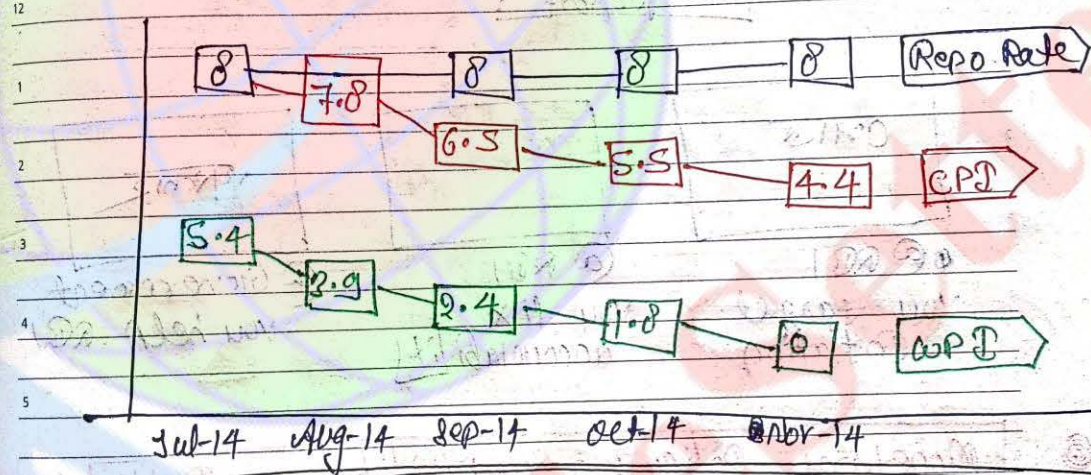


FEBRUARY  
2016

Wk 10 - 060-306  
MONDAY

29

| January | CPI Target | Challenges:             |
|---------|------------|-------------------------|
| 2015    | 8%         | - 60% El Nino           |
| 2016    | 6%         | - Geopolitical Problems |
|         |            | - subsidies.            |



- ★  MNREGA: wage increases... x3.
- Productive growth... no?
- subsidy leakage, corruption... x
- Administered Price... x

Visit Patel

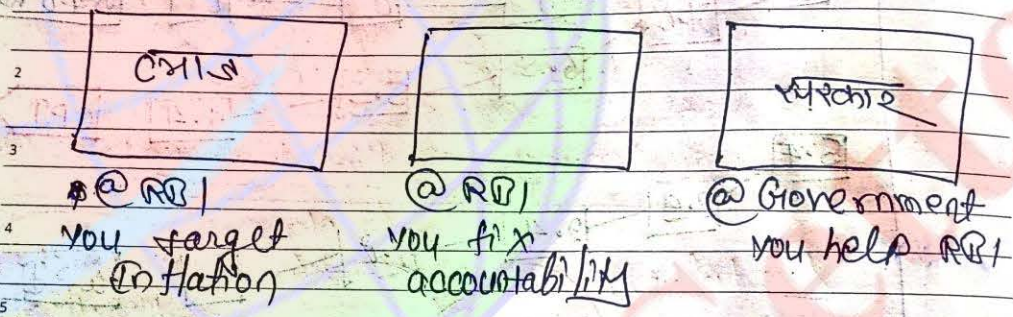
Government to help RRT

Priorities  Fiscal consolidation

| MARCH |   | 2016 |    |    |    |
|-------|---|------|----|----|----|
| MON   |   | 7    | 14 | 21 | 28 |
| TUE   | 1 | 8    | 15 | 22 | 29 |
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| FRI   | 4 | 11   | 18 | 25 |    |
| SAT   | 5 | 12   | 19 | 26 |    |
| SUN   | 6 | 13   | 20 | 27 |    |



(1) Give exam on central management  
(like exam hall)



⑥ Monetary Policy: accountability in India

- RBI act
- Governor directly accountable to government
- Govt. can issue directives to RBI in public interest.
- Parliament's standing committee on finance can summon Governor  
Avg. 3-4/year

• monetary policy made by Governor alone (sign)

| MARCH |   | 2016 |    |    |    |
|-------|---|------|----|----|----|
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MARCH  
2016

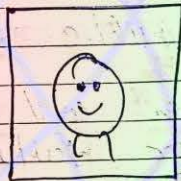
MARCH  
2016

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WEDNESDAY

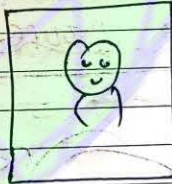
02

• OVERALL No formal accountability mechanism.

**Monetary Policy Committee**



Chairmen: RBI Governor



vice chairmen: Dy. Governor



member #1: RBI executive directors



member #2 outsiders



member #3 outsiders

2016  
21 28  
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27

| APRIL | 2016 |    |    |    |
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Priorities

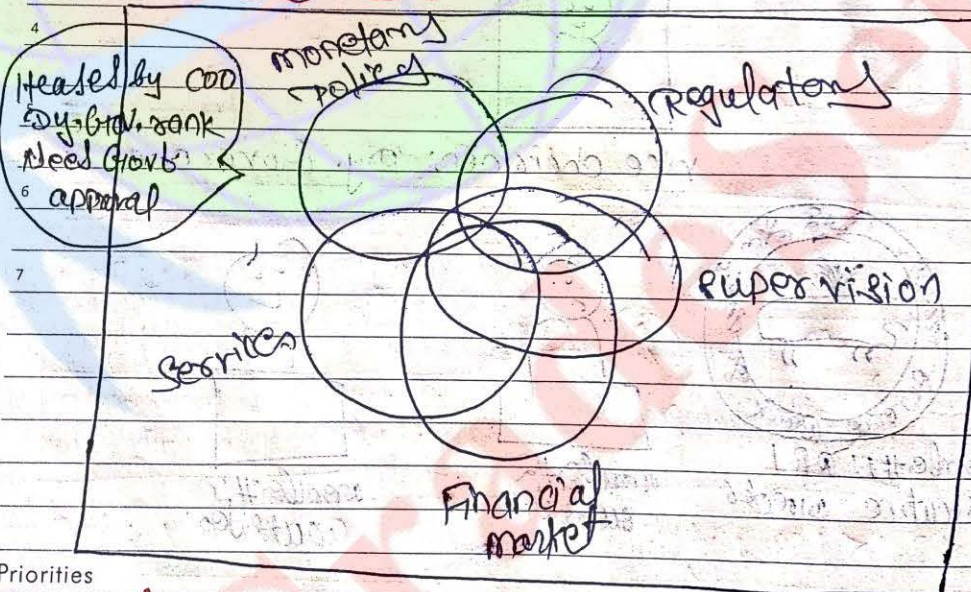
monetary policy



Unit: Monetary Policy: accountability in India

- 10 • Target: 4% (2% band) = 2-6%.
- 11 • Failure? Three quarters successively.
- 12 • MPC issue public statement
- 1 (i) Each member will sign it
- (ii) Reasons for failure
- 2 (iii) Action Proposed
- (iv) Time-frame for result.

Existing dept will be grouped into FIVE clusters:



Priorities

Self study! -

✓ monetary policy

| MARCH |   | 2016 |    |    |
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| MON   | 7 | 14   | 21 | 28 |
| TUE   | 1 | 8    | 15 | 22 |
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| FRI   | 4 | 11   | 18 | 25 |
| SAT   | 5 | 12   | 19 | 26 |
| SUN   | 6 | 13   | 20 | 27 |



MARCH  
2016

Wk 10 - 064-302  
FRIDAY

04

Next class 12: macroeconomics

- chapter 3 money and banking

- Ignore complicated graphs - formula - equation

1. msunal.org/economy

1. Economic survey  $\Rightarrow$  GDP, CPI, IIP, inflation

2. msunal.org/banking

1. Banking  $\Rightarrow$  deposit, rate, credit

2. Updates ppt with monetary policy

3. Quantitative tools measures of money supply:

1. Reserve money

2. Broad money

3. Narrow money

4.  $M_0, M_1, M_2, M_3, M_4, \dots$

| APRIL | 2016 |    |    |    |
|-------|------|----|----|----|
| MON   | 4    | 11 | 18 | 25 |
| TUE   | 5    | 12 | 19 | 26 |
| WED   | 6    | 13 | 20 | 27 |
| THU   | 7    | 14 | 21 | 28 |
| FRI   | 1    | 8  | 15 | 22 |
| SAT   | 2    | 9  | 16 | 23 |
| SUN   | 3    | 10 | 17 | 24 |

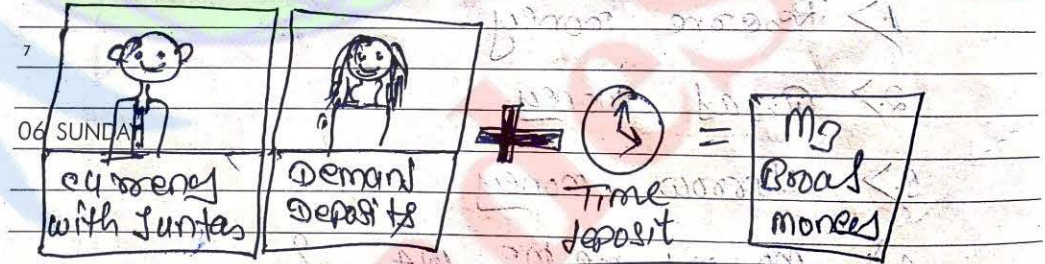
Priorities



M0: Reserve money, High Powered Money

| Components                     | Billion Rupees in Aug 14 |
|--------------------------------|--------------------------|
| i) currency in circulation     | 13610                    |
| ii) Bankers deposits with RBI  | 3567                     |
| iii) Others deposit with RBI   | 97                       |
| <b>Total M0: Reserve Money</b> | <b>17274</b>             |

M1: Narrow money



M1: NARROW  
Priorities

Liquidity:  $M_1 > M_2 > M_3 > M_4$

$= M_1 + \text{Post office (only saving)}$   
 $M_2$

$= M_2 + \text{Post office (Total)}$   
 $M_4$

| MARCH |   | 2016 |    |    |    |
|-------|---|------|----|----|----|
| MON   |   | 7    | 14 | 21 | 28 |
| TUE   | 1 | 8    | 15 | 22 | 29 |
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| SAT   | 5 | 12   | 19 | 26 |    |
| SUN   | 6 | 13   | 20 | 27 |    |



MARCH  
2016

Wk 11 - 067-299  
MONDAY

07

Quantitative, General, Indirect

Qualitative, selective, direct

1. > Reserve ratios (CRR, SLR)

1. > Margin requirement/LTV (अनुमति आधारित)

2. >OMO: open market op.

2. > Consumer credit Control (नानो कार)

3. > Policy rate



monetary policy: Instruments?



Loan to value ratio: 60%

RBI

Loans Rs 60,000 only

→ 30,000 only

Loan customer Gold worth Rs 1 lakh

To combat deflation/ Recession



अनुमति आधारित

Loan against gold

| APRIL | 2016 |    |    |    | Priorities |
|-------|------|----|----|----|------------|
| MON   | 4    | 11 | 18 | 25 |            |
| TUE   | 5    | 12 | 19 | 26 |            |
| WED   | 6    | 13 | 20 | 27 |            |
| THU   | 7    | 14 | 21 | 28 |            |
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| SAT   | 2    | 9  | 16 | 23 | 30         |
| SUN   | 3    | 10 | 17 | 24 |            |



MARCH  
2016

Wk 11 - 067-299  
MONDAY

07

Quantitative, General, Indirect

Qualitative, selective, Direct

1. Reserve ratios (CRR, SLR)

1. Margin requirement/LTV (अनुप्र कुमार)

2.OMO: open market op.

2. Consumer credit Control (नानो काल)

3. Policy rate



monetary policy: Instruments?



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→ 30,000 only

Loan customer Gold worth Rs 1 Lakh

To combat deflation/ Recession

| APRIL |   | 2016 |    |    |    |
|-------|---|------|----|----|----|
| MON   | 4 | 11   | 18 | 25 |    |
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| SAT   | 2 | 9    | 16 | 23 | 30 |
| SUN   | 3 | 10   | 17 | 24 |    |

Priorities



अनुप्र कुमार

Loan against gold







1101  
RCH  
116

MARCH  
2016

Wk 11 • 069-297  
WEDNESDAY

09

- 9 12 to 11:00 - Study
- 10 1 to 4:00 - Sleep
- 4 to 4:30 - Nature call
- 11 4:30 to 5:30 - Yoga

**Monetary Policy: Qualitative  $\Rightarrow$  Margin**

- Loans against securities (shares/bonds)
- Recession  $\Rightarrow$  6.5%  $\Rightarrow$  8.5%
- ~~selective~~ selective, direct

Company  
direct

**Qualitative: Consumer Credit Control**

- ☑ Fight deflation, Recession
- ☑ Downpayment: 30%  $\Rightarrow$  10%
- ☑ Reduce cash installment
- ☑ 10,000 x 10  $\Rightarrow$  1000 x 100
- ☑ selective, direct
- ☑ Eg. Commercial vehicle

Qualitative  
consumer  
credit control  
control  
00  
Handwritten notes in a blue circle

16  
28  
29  
30  
31

| APRIL |   | 2016 |    |    |    |
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| MON   | 4 | 11   | 18 | 25 |    |
| TUE   | 5 | 12   | 19 | 26 |    |
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| SAT   | 2 | 9    | 16 | 23 | 30 |
| SUN   | 3 | 10   | 17 | 24 |    |

Priorities



Monetary Policy: Qualitative: Rationing

|  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• ceiling on total loans in each sector</li> <li>• planned economy</li> <li>• PSL: 40% <math>\rightarrow</math> 60%</li> <li>selective, direct</li> </ul> |  |
|--|--|

Priority sector lending (annual)

|                    |                        |              |
|--------------------|------------------------|--------------|
| Target             | Desi (+ Foreign 20)    | Foreign < 20 |
| Overall PSL target | 40% of net loans given | 32%          |

|                                |                                       |                    |
|--------------------------------|---------------------------------------|--------------------|
| Target                         | Desi (+ Foreign 20)                   | Foreign < 20       |
| Agro                           | 18%                                   | No specific target |
| weaker sections                | 10%                                   | No specific target |
| Remaining categories under PSL | whatever left to reach the 40% target | No specific target |
| Overall PSL target             | 40% of the net loans given            | 32%                |



MARCH  
2016

Wk 11 - 071-295  
FRIDAY

11

Mark question NPSE CSAT-2017

Q) Priority sector lending by Banks in India constitutes the lending to

A.) Agriculture

B.) micro and small enterprises

C.) weaker section

D.) All of above

Ans D.

Q. If target not met?

• Remaining \$ to RIDE

• Rural mba, development fund

• NABARD manages

• NABARD pays interest

• NABARD pays interest to bank.

| PSL                 |
|---------------------|
| Desit               |
| Foreign banks       |
| 20 branches or more |

| APRIL | 2016 |    |    |    |
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| SUN   | 3    | 10 | 17 | 24 |

Priorities • state governments get mba. loan.



12

Wk 11 - 072-294  
SATURDAY

MARCH  
2016

MA  
21

- 9 • If targets not met?
- 10 • Remaining \$ to SIDF
- 11 • Small enterprises development fund
- 12 • SIDF manages
- 1 • partners to state
- 2 • industrial fin corp.

PSL

Foreign banks  
< 20 branches

13 SUNDAY 3 to 4:00 - v.b file complete: ✓  
 4 to 5:00 → other work + money management  
 5 to 9:00 → sleep + food  
 9 to 10:00 - v.b copy revision/  
 10 to 11:00 - v.b.net, copy + exp.  
 Priorities 11:00 to 19:00 - v.b.net, copy + exp.

| MARCH |   | 2016  |       |
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| MON   | 7 | 14    | 21 28 |
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| WED   | 2 | 9 16  | 23 30 |
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| SAT   | 5 | 12 19 | 26    |
| SUN   | 6 | 13 20 | 27    |



MARCH  
2016

MARCH  
2016

Wk 12 - 074-292  
MONDAY

14

★ PSL: what if target not met?

|                                   |  |
|-----------------------------------|--|
| Desi (+ Foreign go)               | Foreign bank @ 20                        |
| Remaining \$\$ to RIDF            | To SEEF                                  |
| Rural infra development fund      | Small enterprises development fund       |
| NABARD manages                    | SIDBI manages                            |
| NABARD pays interest to bank      | same by SIDBI                            |
| State governments get infra. loan | Similar case: state industrial fin. corp |

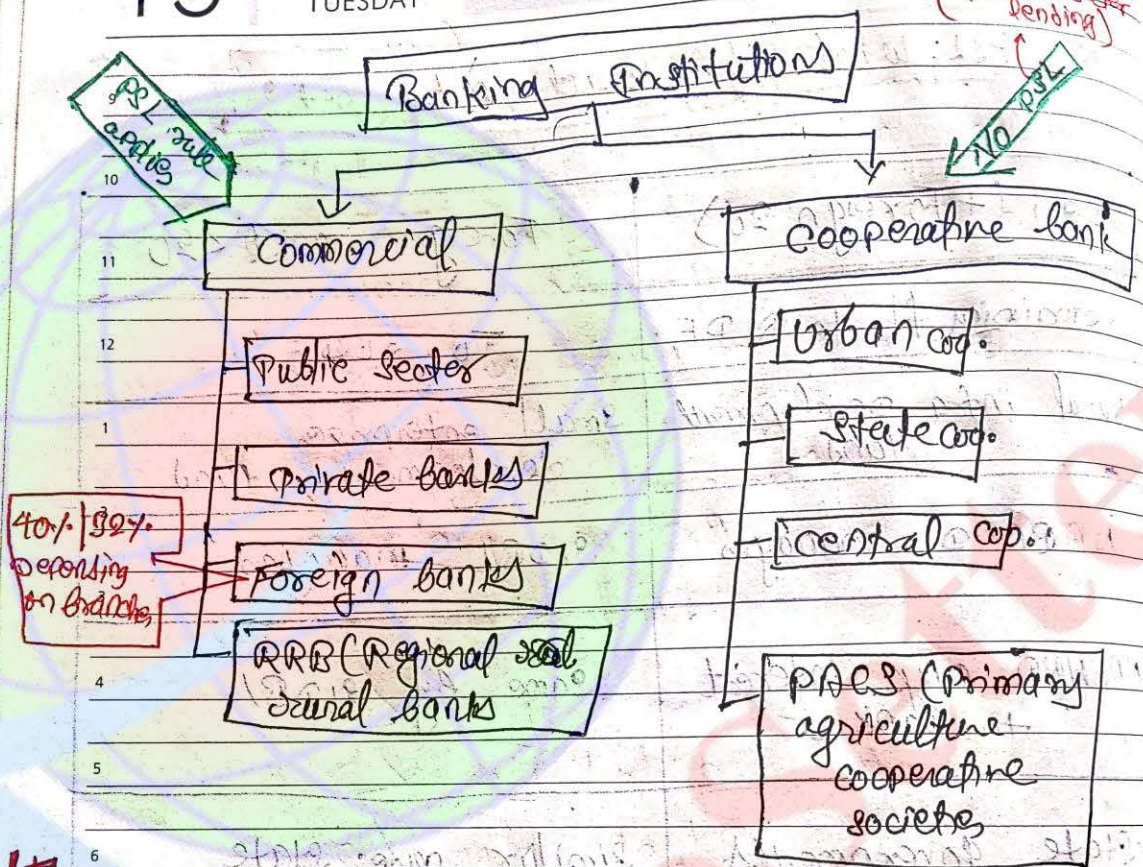
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TUE 5 12 19 26  
WED 6 13 20 27  
THU 7 14 21 28  
FRI 1 8 15 22 29  
SAT 2 9 16 23 30  
SUN 3 10 17 24

Priorities



(Private sector lending)



40% / 92%  
depending on banks

##

Quantitative, General, Indirect

Qualitative, Selective, Direct

1. Reserve Ratios (CRR, SLR)

1. Margin requirement / LTV (AKSHAY KUMAR)

2. OMO: open market op. Priorities

2. Consumer Credit (Mano sen)

3. Policy rate

3. Credit Rationing (etalin, PSL)

| MARCH 2016 |            |
|------------|------------|
| MON        | 7 14 21    |
| TUE        | 1 8 15 22  |
| WED        | 2 9 16 23  |
| THU        | 3 10 17 24 |
| FRI        | 4 11 18 25 |
| SAT        | 5 12 19 26 |
| SUN        | 6 13 20 27 |



MARCH  
2016

Wk 12 - 076-290  
WEDNESDAY

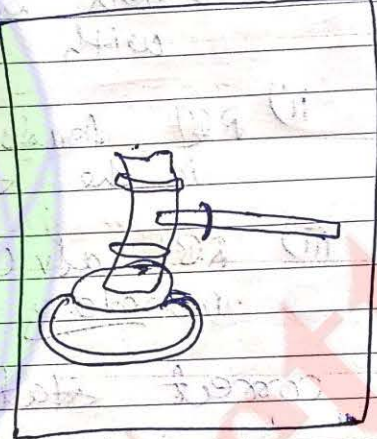
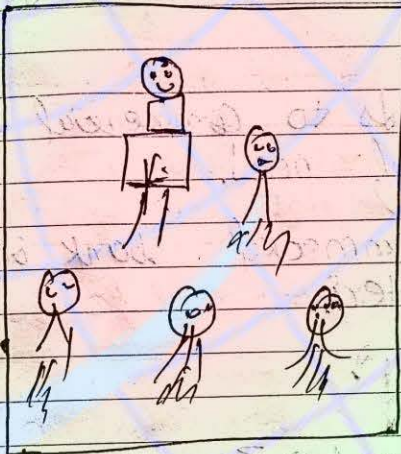
16



Monetary Policy: Qualitative

moral suasion

direct action



Q) mco (UPSC-1995)

which of the following is not an instrument of selective credit control?

- A) Regulation of consumer credit.
- B) Rationing of credit.
- C) margin requirements.
- D) cash reserve ratio.

| APRIL | 2016 |    |    |    |
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| SAT   | 2    | 9  | 16 | 23 |
| SUN   | 3    | 10 | 17 | 24 |

Priorities  
Ans: D



Q. 9) MCQ (2012)

RB1 acts as bankers' bank. This would imply which of the following?

i.) other banks retain their deposits with RB1

ii.) RB1 lends funds to commercial banks in the times of need.

iii.) RB1 advice commercial bank on monetary matters.

Correct statement is

A.) only 2 and 3

B.) only 1 and 2

C.) only 1 and 3

D.) 1, 2 and 3.

Ans.

i.) (ERR) other banks retain their deposits with RB1 (✓)

ii.) (Repo. Bank) RB1 lends funds to commercial banks in the times of need

iii.) (moral suasion) RB1 advice commercial banks on monetary matters

riorities

| MARCH |   | 2016 |    |
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APRIL

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SUN



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2016

Wk 12 - 078-288  
FRIDAY

18

[Ref: Money-banking E. N. Naryan Nadar]

(1) 1, 2 and 3 (Test sets "A", QTS, and 1)

Monetary Policy: Instruments?

| Quantitative                        | Qualitative                               |
|-------------------------------------|---|
| 1. Reserve Ratio (CAR, SLR)         | 1. margin / LTV                           |
| 2.OMO: open market operations       | 2. consumer credit control / down payment |
| 3. Rates (Repo, RR, bank, MSF, LAF) | 3. Rationing                              |
|                                     | 4. Moral suasion                          |
|                                     | 5. Direct action                          |



19

Wk 12 - 079-287  
SATURDAY

MARCH  
2016

9 ~~150 SLO - stock market video,~~

10 Next

11  Banking evolution

12  Nationalization

1  Narasimhan committee

2  New bank license, small bank  
3 payment bank

4  Financial inclusion

5  
6  
7

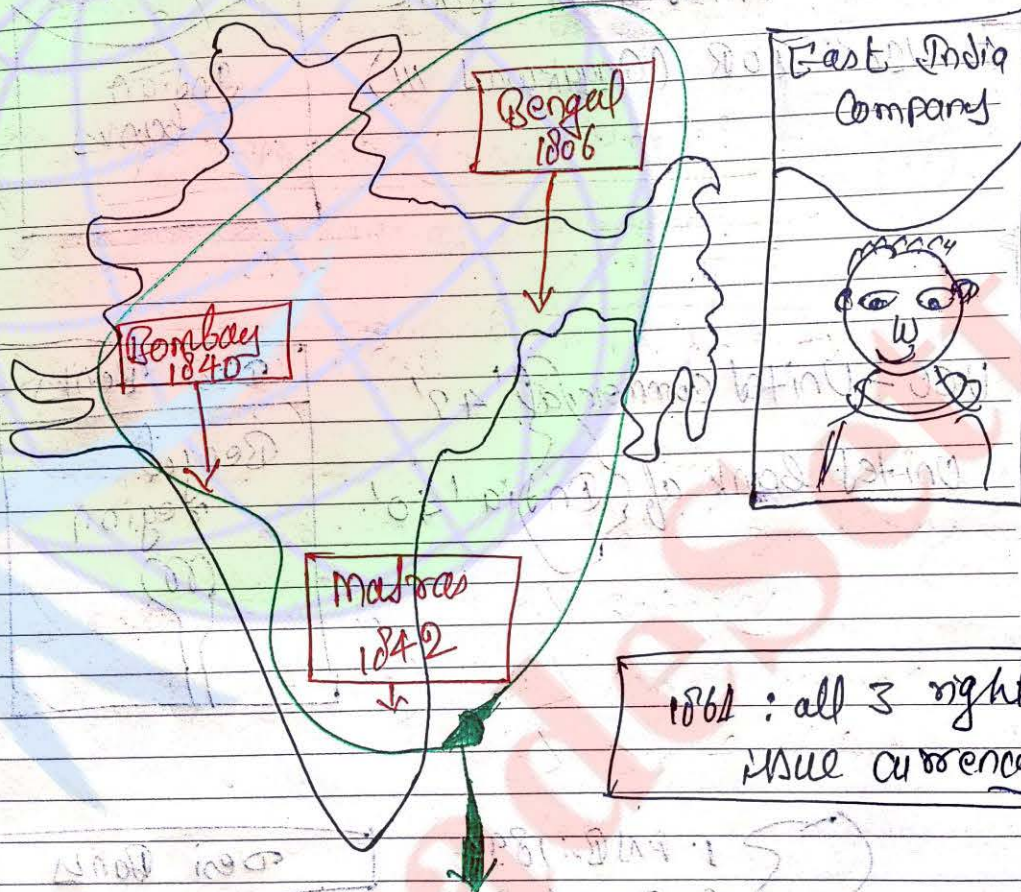
20 SUNDAY

Priorities

MARCH 2016  
MON 7 14 21 28



Miscellaneous L1/P6: Banking sector evolution India & Nationalization of Banks.



1921: Imperial bank of India

| APRIL |   | 2016 |    |    |    |
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Priorities

1955: SBI (Nationalized)

State Bank of India

East India Company

Financial Bank



~~1707: Bank of Hindustan~~

Pre-Indo.

1865: Allahabad Bank

1908: BOB (Gayakwad III)

Indian banks

12

#

U.CO = United Commercial '49'

United bank of India '50'

Desi Banks

Bengal region



1894

1898



- 1. PSB: 1894
- 2. Punjab-Sind (08)
- 3. OBE (48)

Desi Banks

Punjab

Priorities

Punjab national bank

| MARCH |   | 2016 |    |
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MARCH  
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Wk 13 - 083-283  
WEDNESDAY

23

#

1.) Bank of India ('06)

2.) Central bank of India ('11)

3.) Union bank ('19)

4.) Bank of Maharashtra ('95)

5.) Dena bank ('98)

