

## **PAPER 6(a) : CENTRAL BANKING AND MONETARY POLICY**

**Full Marks : 100**

### **Module A : Introduction to Central Banking**

- Central Bank in The Financial System, Evolution, Characteristics, Objectives, Philosophy and Functions of Central Banks, Relationship Between Central Bank and Govt., Central Bank and Commercial Banks, Modern Central Banking, Autonomy of Central Bank, Separation Between Supervisory and Monetary Authorities.

### **Module B : Supervision of Financial Institutions**

- Theory, Objectives and Agencies of Bank Examination/Regulation, Methods of Bank Examination, On Site and Off-Site (CEMELS Rating), Deposit Insurance and Bank Failures. Risk Management and Internal Control Mechanism. Basic Guidelines on Bank Supervision, Supervision of Non-Banks & Other Financial Institutions.

### **Module C : Monetary Policy**

- Money and its Functions, Demand for and Supply of Money, Multiple Deposit Creation, Determinations of Money Supply, Monetary Base and Money Multiplier, Conduct of Monetary Policy-Tools, Targets, Goals and Monetary Transmission Mechanism.

### **Module D : Central Banking and Monetary Management in Bangladesh**

- Bangladesh Bank order, 1972; Prudential Regulation, Monetary Policy of Bangladesh.

### **Module E : Exchange & Reserve Management**

- Exchange Rate Policy, Fixed & Floating Rate, Relationship with International Monetary Institutions, Foreign Currency Investment.

### **References**

- 1 Ahmed, A.K.N. Of Deregulation and Central Bank Autonomy. University Press Ltd, Dhaka.
- 2 Bangladesh Bank Publications.
- 3 BIS. Core Principles for Effective Banking Supervision.
- 4 Dekock, M.H. Central Banking
- 5 Mishkin, Frederic, S. The Economics of Money, Banking and Financial Markets. Harper Collins, New York.
- 6 Sheng, Andrew. Bank Supervision. Principles and Practice. EDI Working Paper.
- 7 Smith, Gray. Money, Banking and Financial Intermediation. Heath and Company, Lexington, D.C.
- 8 Vittas, Dimitri. Financial Regulation. The World Bank, Washington.