

Macroeconomics for Financial Markets Module

➤ **Introduction to Macro Economics**

1. Introduction
2. Microeconomics and Macroeconomics
3. Why Macroeconomics is important for the financial sector
4. The concept of 'equilibrium' in economics
5. Broad outline

➤ **Inflation and Interest Rates**

1. What is inflation?
2. How to measure inflation?
3. Theories of inflation
4. Impact of inflation on macroeconomic variables
5. Controlling inflation
6. Interest Rates
7. Factors affecting the level of Interest Rate
8. Impact of Interest Rates
9. Concept of Real Interest Rate

➤ **National Income Accounting**

1. National Income Accounting: Measuring Economic Activity
2. Some other ways to measure National Income
3. Saving and Investment in India
4. The changing composition of India's economic environment

➤ **Government and Fiscal Policy**

1. Role of the Government in an Economy

2. Government Expenditure and Revenue: Understanding the Government accounts
3. Bringing together the Revenue and the Expenditure side
4. The Deficit Indicators
5. Financing of deficit by the Government
6. Fiscal Deficit and sustainability of Internal Debt
7. Fiscal policies and their impact on the financial markets

➤ **Money and Monetary Policy**

1. What is the role of Money?
2. Components of Money in India
 3. Demand for Money
 4. Supply of Money
 5. Different roles of RBI in India
 6. Role of Commercial Banks in Money Supply
 7. Other Instruments of Money Supply
 8. Market Stabilization Scheme
 9. Use of Monetary policy
10. Use of Fiscal policy

➤ **The External Sector: Open Economy Macroeconomics**

1. Why do countries trade?
2. India and International Trade
3. Balance of Payments
4. Foreign Direct Investment
5. Foreign Portfolio Investment

6. Exchange Rates
7. Foreign Exchange Reserves
8. Impact of capital flows on money supply
9. Sterilization of Capital Flows

➤ **Financial Markets**

1. Basic roles of the financial market
2. Why and how are financial markets different from other markets?
3. Role of different financial systems: Bank based financial systems and Capital Market based financial systems
4. Role and contribution of different segments in India's Financial Market
5. The Equity Market
6. Derivatives Market in India
7. The Debt Market

➤ **Regulatory Institutions in India**

1. Role of regulatory institutions in a market-based economy
 2. The Reserve Bank of India (RBI)
 3. The Securities and Exchange Board of India (SEBI)
 4. Insurance Regulatory and Development Authority (IRDA)
 5. Pension Fund Regulatory and Development Authority (PFRDA)
 6. Forward Markets Commission (FMC)
 7. Stock Exchanges in India