



Book Review

Money and Banking : Select Research Papers by the Economist of Reserve Bank of India

By A. Vasudevan (ed.)

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The book is edited by Dr. A. Vasudevan. The author who is former Executive Director of RBI has utilized his life time of experience at the Central Bank to edit the present collection of research papers (organized under four sections) with a comprehensive introduction. The 20 chosen research papers included in the volume focus on money, monetary policy and banking issues - areas in which the Reserve Bank's expertise is widely recognized. RBI has promoted research right from the early years of its existence. Excellent research papers have been prepared by some of the outstanding economists of the Bank. The book can be conceived essentially as a reference book to prepare the would be managers to face policy matters and to address the new developments in the analytics of the operational aspects of banking.

The topics range from conceptual issues to macro monetary models and methodologies from traditional econometric techniques to recent advances in co-integration. It provides a useful insight into how monetary policy is responding to the problem of inflation and balance of payments and carefully assesses policy effects. A few papers present evidence

bearing on the role of money supply in the inflationary process and make a case for monetary policy prior to reforms. The approach is both analytical and rigorous. It is a required reading for any one interested in policy design. The papers presented in the volume provide a rich flavor of research in the Bank that could be utilized in gaining useful insights about the conduct of monetary and Banking Policies in India. Although the empirical evidence cited in the papers end in most cases with the early-to-mid 1990s, the papers suggest that policy actions in general could be justified by the reported empirical exercises. The results would hold good for all time to come but they may still be good for the near medium term from now, at least so long as the financial sector has fully developed and integrated.

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