

Reg. No. : .....

Name : .....

**Second Semester B.A. Degree Examination, September 2022**

**First Degree Programme under CBCSS**

**Economics**

**Complementary Course III**

**EC 1231 : MONEY AND BANKING**

**(2015–2018 Admission)**

Time : 3 Hours

Max. Marks : 80

**SECTION – I**

Answer in **one** or **two** sentences. Attempt all questions.

1. Money supply
2. Deflation
3. New generation banks
4. Fixed deposit
5. Weighted index number
6. Regional Rural Bank
7. Debenture

8. Bank rate
9. Deposit mobilization
10. Base year

**(10 × 1 = 10 Marks)**

## SECTION – II

Answer any **eight** questions not exceeding one paragraph. **Each** question carries **2** marks.

11. Write down the difference between metallic money and paper money.
12. Index numbers are specialised averages. Explain.
13. Define high powered money.
14. Explain the term legal reserve ratio.
15. What is meant by demand for money?
16. Why are banks important to capital market?
17. How is inflation measured?
18. Examine the factors affecting trade cycle.
19. What are basel norms?
20. How do you distinguish between a central bank and a commercial bank?
21. What is meant by double coincidence of wants?
22. Write down the relationship between value of money and price level.

**(8 × 2 = 16 Marks)**

### SECTION – III

Answer any **six** questions not exceeding **120** words. **Each** question carries **4** marks.

23. What is investment banking? Examine the key functions of investment banking.
24. Briefly explain the various approaches to the definition of money.
25. Distinguish between deposit multiplier and credit multiplier.
26. Explain the objectives of monetary policy.
27. Examine the economic features of different phases of business cycle.
28. What are the RBI measures of money supply?
29. Write down the nature and functions of non-banking financial intermediaries.
30. What are consumer price index numbers? What are their uses?
31. Explain and distinguish between moderate, galloping and hyper inflation.

**(6 × 4 = 24 Marks)**

### SECTION – IV

Answer any **two** questions, not exceeding **four** pages. **Each** question carries **15** marks.

32. Discuss the Quantitative and Qualitative credit control measures of RBI.
33. Money is a matter of functions four: A medium, a measure, a standard, a store. Explain.
34. What are the characteristics of Index numbers? Examine the problems in the construction of Index numbers.
35. Examine the effects of inflation on different sections of the society.

**(2 × 15 = 30 Marks)**