

2021
ECONOMICS
[HONOURS]
(CBCS)
(B.Sc. Third Semester End Examinations-2021)
PAPER-GE3
(Money & Banking)

Full Marks: 60

Time: 03 Hrs

*The figures in the right hand margin indicate marks
Candidates are required to give their answers in their own words as
far as practicable
Illustrate the answers wherever necessary*

Group-A

- 1. Answer any ten questions from the questions below: 10x2= 20**
- a) What is bank rate?
 - b) What is Cash Reserve Ratio (CRR)?
 - c) Define M_1 and M_2 .
 - d) define fiat money and optional money?
 - e) What are primary and derived deposits?
 - f) Define repo rate.
 - g) What is high powered money?
 - h) What is money multiplier?
 - i) What are the basic functions of SEBI.

(2)

- j) What is SLR (Statutory Liquidity Rates)?
- k) What is Bank rate?
- l) Define broad Money(M_3).
- m) What is interest rate?
- n) What is financial crisis?
- o) What is MSF (Marginal Standing Facility)?

Group-B

Answer any four of the following questions: 4x5 = 20

- 2) What are the objectives of monetary policy of India?
- 3) What is open market operation? How does it function?
- 4) Define Net interest rate and gross interest rate. Distinguish between them.
- 5) Explain the functions of money.
- 6) Explain the role of commercial bank in economic development.
- 7) Explain the quantity theory of money.
- 8) Discuss the significance of capital market?

Group -C

Answer any two of the following questions: 10x2 = 20

- 9) Critically discuss the process of credit creation by the commercial banking system. What are the limitation of this process?

(3)

- 10) Define money market. Explain all the components of money market.
- 11) Give some arguments for bank nationalisation in India. Discuss the role of Reserve Bank of India in the development of the country.
- 12) Explain the various methods of selective credit control. Explain the significance of any two of them in an economy like India.

5+5=10
