

1127

B.A./B.Sc. (Hons.) Fifth Semester

Economics

Paper - I : Money and Banking

Time allowed: 3 Hours

Max. Marks: 90

NOTE: Attempt five questions in all, including Question No. I which is compulsory and selecting one question from each Unit.

x-x-x

I. Attempt any nine of the following in 25 to 30 words each:-

- a) What do you mean by near money asset?
- b) Differentiate between M3 and M4 measures of money supply.
- c) What are the components of High powered money?
- d) What do you mean by speculation?
- e) Define Classical demand for money function.
- f) What do you mean by repo rate?
- g) Differentiate the terms CRR and SLR.
- h) What do you mean by capital adequacy ratio?
- i) Differentiate the terms repo-rate and reverse repo-rate.
- j) What do you mean by open market operations to control money supply?
- k) Define the word 'reforms'.
- l) What is the need of banking sector reforms in India? (9x2)

UNIT - I

- II. Discuss the various measures of money supply in India proposed by various high powered committees time to time. (18)
- III. Differentiate the terms credit multiplier and money multiplier. Also derive the both multipliers with suitable example. (6,12)

UNIT - II

- IV. Show that Keynes individual demand for money curve is kinked in nature and kink arises when actual rate of interest equals expected rate of interest. (18)
- V. Discuss the clashes among various objectives of a central bank. Which latest instruments RBI is using to combat the problem of inflation in India? (9,9)

UNIT - III

- VI. Discuss the Narasimham Committee report in detail. (18)
- VII. How the role of NBFIs has increased in Indian economy during the post liberalization era? (18)

UNIT - IV

- VIII. Discuss the episode of formation of IMF in detail. What role does IMF play to stabilize world economy? (9,9)
- IX. How the functions of ADB are different from IBRD? Do the Asian economies benefit from a separate development bank? (9,9)