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**M – 2201**

Reg. No. : .....

Name : .....

**Second Semester B.A. Degree Examination, December 2021**

**First Degree Programme Under CBCSS**

**Economics**

**Complementary Course : III**

**EC 1231 – MONEY AND BANKING**

**(For Political Science, Islamic History, History, Philosophy, Sociology and English)**

**(2014 Admission)**

Time : 3 Hours

Max. Marks : 80

**SECTION – I**

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

1. Define money.
2. Near money.
3. Business cycle.
4. Motives of holding money.
5. Consumer price index.
6. NSE.
7. Phillips curve.

**P.T.O.**

8. Reflation.
9. Public sector banks.
10. Rights issue.

**(10 × 1 = 10 Marks)**

### SECTION – II

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

11. List out important functions of money.
12. State the limitations of Barter system.
13. Distinguish between money market and capital market.
14. What are the different categories of non-banking financial companies?
15. Describe the causes of cost-push inflation.
16. Why deflation is worse than inflation.
17. Describe the link between inflation and speculation.
18. Distinguish between primary market and secondary market.
19. Explain debentures.
20. Shortcoming of using GDP as a measure of economy.
21. Describe about bond yield.
22. What is meant by hedge funds?

**(8 × 2 = 16 Marks)**

### SECTION – III

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

23. Explain the characteristics of money.
24. What is the quantity theory of money?

25. Distinguish between scheduled banks and non-scheduled banks.
26. Why index numbers are called the barometers of economic activity?
27. Distinguish between demand – pull inflation and cost – push inflation.
28. Write a short note on venture capital.
29. What are the advantages of core banking?
30. What are the capital market instruments?
31. How does Reserve Bank of India control money supply in the economy?

**(6 × 4 = 24 Marks)**

#### SECTION – IV

Answer any **two** questions, not exceeding **4** pages. Each question carries **15** marks.

32. Sketch the evolution of money from gold coins to the present system of paper currency and metallic coins.
33. Is Irving Fisher's equation of exchange different from Cambridge equation? Discuss.
34. What are the broad groups of assets and liabilities of commercial banks?
35. What are the traditional functions of the RBI? Elaborate.

**(2 × 15 = 30 Marks)**

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