

2024

(NEP-2020)

(2nd Semester)

ECONOMICS (MAJOR)**(Financial Institutions and Markets)**

Full Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks for the questions***(SECTION : A—OBJECTIVE)**

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Bank rate implies

- (a) the rate at which trade bills are rediscounted by the central bank ()
- (b) a discount rate charged by the commercial bank ()
- (c) the purchase of government securities in the open market ()
- (d) All of the above ()

2. The Reserve Bank of India was established on

- (a) 1st April, 1945 ()
- (b) 1st January, 1935 ()
- (c) 1st April, 1935 ()
- (d) 1st January, 1946 ()

3. Treasury bills are debt instruments for a
- (a) long term ()
 - (b) short term ()
 - (c) very long term ()
 - (d) medium term ()
4. The most liquid asset of a commercial bank is
- (a) cash ()
 - (b) money at call ()
 - (c) investment ()
 - (d) interest ()
5. The amount of money in India is controlled by
- (a) the Planning Commission ()
 - (b) the Commercial Banks ()
 - (c) the Government of India ()
 - (d) the Reserve Bank of India ()
6. An apex institution in the field of industrial development banking is
- (a) IDBI ()
 - (b) IFCI ()
 - (c) ICICI ()
 - (d) NABARD ()
7. Eurodollar means
- (a) all US dollars deposited with the Federal Reserve Bank ()
 - (b) European currencies ()
 - (c) all currencies deposited in the Bank of International Settlements ()
 - (d) all US dollars deposited in banks outside US ()

8. _____ is a market for lending and borrowing of short-term funds.

- (a) Money market ()
- (b) Primary market ()
- (c) Capital market ()
- (d) All of the above ()

9. The regulatory body for the securities market in India is

- (a) RBI ()
- (b) SEBI ()
- (c) IRDA ()
- (d) stock exchange ()

10. Primary capital market is the platform where

- (a) new securities are issued ()
- (b) new notes are issued ()
- (c) new securities are borrowed ()
- (d) None of the above ()

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write notes on *five* of the following, taking at least *one* from each Unit : 3×5=15

UNIT—I

- 1. Limitations of monetary policy
- 2. Cash Reserve Ratio

UNIT—II

- 3. Types of deposits
- 4. Concept of digital money

UNIT—III

5. SIDBI
6. NABARD

UNIT—IV

7. Capital market
8. Concept of Eurodollar market

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer five of the following, taking at least one from each Unit : 10×5=50

UNIT—I

1. Describe the various instruments of credit control of central bank. 10
2. What are the functions of a central bank? 10

UNIT—II

3. What is money? What are the functions of money? 3+7=10
4. Explain in brief the process of credit creation by commercial banks. 10

UNIT—III

5. What is a cooperative bank? Describe the structure of cooperative banks in India. 3+7=10
6. What is the role of EXIM Bank in the economic development of the country? 10

UNIT—IV

7. What is money market? What are the money market instruments? 3+7=10
8. What is a stock exchange? Write down the functions and workings of a stock exchange. 3+7=10
