

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2007

EC 5502 - MONEY & BANKING

AN 16

Date : 29/10/2007
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

SECTION – A

(5 X 4 = 20 marks)

Answer any FIVE questions in about 75 words

1. What are the forms of money in a modern economy?
2. What is meant by the term value of money?
3. Explain the concept classical dichotomy and neutrality of money.
4. Explain Marshall's Equation of Exchange.
5. Present a Balance Sheet of a commercial bank.
6. What are the objectives of open market operations?
7. Define Money market and its Primary Functions.

SECTION – B

(4 X 10 = 40 marks)

Answer any FOUR questions each answer over not exceeding 250 words

8. Explain the factors affecting Monetisation in an Economy.
9. What are the difficulties in measuring the changes in the value of money.
10. Bring out the similarities and differences between Fisher's quantity theory of money and cash balance approach.
11. Bring out the evolution of Banking System in India.
12. What are the Primary and subsidiary functions of Commercial Bank?
13. What are the limitations of credit creation?
14. Explain the structure of Indian Money Market.

SECTION – B

(2 X 20 = 40 marks)

Answer any TWO questions each answer not exceeding 900 words

15. Discuss the functions and importance of money in a growing economy like India.
16. Examine the progress made by Commercial Banks since Nationalisation.
17. What are the selective credit control Instruments? In what way are they superior to quantitative measures?
18. Examine the structure and growth of Indian capital market.

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