



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

**FIFTH SEMESTER – NOVEMBER 2014**

**EC 5506/EC 5502 - MONEY AND BANKING**

Date : 05/11/2014  
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

**PART – A**

Answer any **FIVE** questions not exceeding 75 words each: (5x4=20 marks)

1. What are the functions of money?
2. Bring out the significance of paper money.
3. Write a note on Cambridge cash balance approach.
4. What is classical dichotomy?
5. What is meant by liquidity trap?
6. Write a note on the capital market
7. State the quantitative instruments of credit control.

**PART – B**

Answer any **FOUR** questions in about 300 words each: (4x10=40 marks)

8. Discuss the role of money in the modern economy.
9. Explain the determinants of demand for and supply of money.
10. State and explain the functions of Reserve Bank of India.
11. Explain the constituents and functions of money markets
12. Discuss the performance of commercial banks in India
13. Briefly explain the characteristics of Indian money market.
14. Explain the saving investment approach to the theory of money.

**PART – C**

Answer any **TWO** questions not exceeding 900 words each: (2x20=40 marks)

15. Discuss the integration of monetary and value theory by Keynes.
16. Explain the significance of index numbers and problems in constructing a price index.
17. Discuss the investment policy of commercial banks.
18. Critically evaluate the Fisher's Quantity theory of money.

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