



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – NOVEMBER 2022

UEC 3502 – MONEY AND BANKING

Date: 24-11-2022

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 NOON

SECTION A

Answer ALL the Questions

1. Fill in the blanks			(5 x 1 = 5 Marks)
a)	When Mr.X deposits a sum of Rs 5000 in a bank in this case Money acts as a ____.	K1	CO1
b)	Metallic standard can be classified as _____ and _____	K1	CO1
c)	The relationship between savings and income is _____.	K1	CO1
d)	The rate at which RBI borrows money from Commercial Bank _____.	K1	CO1
e)	Bills of Exchange is an instrument of _____ market	K1	CO1
2. State True or False			(5 x 1 = 5 Marks)
a)	The system of note issue adopted by India is Proportional Reserve System.	K1	CO1
b)	There is a direct relationship between value of money and general price level.	K1	CO1
c)	Cash transaction approach emphasizes the store of value function of money.	K1	CO1
d)	High powered money is Currency and Reserve Requirements	K1	CO1
e)	Capital Market is a market for long term borrowings	K1	CO1
3. Match the following			(5 x 1 = 5 Marks)
a)	Money Market	(i) DFI	K2 CO1
b)	SEBI	(ii) Penal rate of interest	K2 CO1
c)	RBI	(iii) Controller of capital market	K2 CO1
d)	SIDBI	(iv) 1949	K2 CO1
e)	MSF	(v) Commercial paper	K2 CO1
4. Expand the following abbreviations			(5 x 1 = 5 Marks)
a)	ICICI	K2	CO1
b)	IMF	K2	CO1
c)	EXIM	K2	CO1
d)	LAF	K2	CO1
e)	MSMEs	K2	CO1

SECTION B

Answer any TWO of the following in 100 words (2 x 10 = 20 Marks)

5.	Dramatize the static and dynamic functions of Money	K3	CO2
6.	Show the determinants of Supply of Money.	K3	CO2
7.	Discover the relationship between price level and Money Supply as propounded by Irving Fisher.	K3	CO2
8.	Demonstrate the process of credit creation performed by Commercial Banks.	K3	CO2

SECTION C

Answer any TWO of the following in 100 words (2 x 10 = 20 Marks)

9.	Classify the different types of Money.	K4	CO3
10.	Point out the main features of Gold Standard.	K4	CO3
11.	Explain how saving and investment are equal at equilibrium.	K4	CO3
12.	Distinguish between money market and capital market.	K4	CO3

SECTION D

Answer any ONE of the following in 250 words (1 x 20 = 20 Marks)

13.	Appraise the functions of central bank in India.	K5	CO4
14.	Critically examine the quantity theory of money.	K5	CO4

SECTION E

Answer any ONE of the following in 250 words (1 x 20 = 20 Marks)

15.	“India is a country which is currently experiencing inflationary situation” Write the measures that need to be adopted by the Reserve Bank of India to combat the inflationary situation.	K6	CO5
16.	Sketch the procedure for measuring changes in the value of money and bring out its conceptual and practical difficulties.	K6	CO5
