

2022

Economics

[HONOURS]

(CBCS)

(B.Sc. Fifth Semester End Examination-2022)

PAPER-DSE2

[Money and Financial markets]

Full Marks: 60

Time: 03 Hrs

*The figures in the right hand margin indicate marks
Candidates are required to give their answers in their own words as
far as practicable*

Illustrate the answers wherever necessary

Group-A

1. Answer any ten questions of the following: 10x2= 20

- a) What is money multiplier?
- b) What is narrow money (M_1)?
- c) What is money supply?
- d) Define Monetary policy.
- e) What is open market operation?
- f) What is Bank rate?
- g) What is Repo rate?
- h) What is statutory Liquidity Ratio (SLR)?
- i) What is broad money(M_3)?

(2)

- j) What is the fundamental difference between a central bank and a commercial bank?
- k) Define high powered money.
- l) Distinguish between quantitative and qualitative credit control policy.
- m) What will be the effect of an increase in the cash reserve ratio on the volume of credit?
- n) Which institution is known as the 'lender of the last resort' and why?
- o) Distinguish between primary and secondary markets.

Group-B

Answer any four questions of the following: 4x5 = 20

- 2. Do you think that open market purchase and sale operations are symmetrical? If not, why?
- 3. Distinguish between equity share and preference share.
- 4. Give a brief idea on the structure of balance sheet of RBI.
- 5. Mention important functions of SEBI.
- 6. What are the major differences between money market and capital market.
- 7. Explain the role of stock market in the financial section of an economy.
- 8. Discuss the determinants of money supply.

(3)

Group -C

Answer any two questions:

2x10 = 20

- 9. Explain the current Monetary policy of India . 10
 - 10. Explain the process of deposit creation in the commercial bank. What are the major functions of Commercial banks?
 - 11. Make a comparison between OMO and VRR as instruments of credit control.
 - 12. What do you mean by derivatives? What are the common types of derivatives traded in the financial market? 4+6
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