

Total No. of Questions : 09

B.Sc. (Business Economics) (BBE) (2015 to 2017) (Sem.-3)

MONEY AND BANKING

Subject Code : BBE-304

M.Code : 74195

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.**
3. **Each Sub-section contains TWO questions each, carrying TEN marks each.**
4. **Student has to attempt any ONE question from each Sub-section.**

SECTION-A

- 1. Write short notes on the following :**
- a) Liquidity trap
 - b) Selective credit control
 - c) Treasury bills
 - d) Bank rate
 - e) Off-shore banking
 - f) EXIM bank
 - g) Asset portfolio of a commercial bank
 - h) Basel norms
 - i) Gilt-edged securities
 - j) Hedgers

SECTION-B

UNIT-I

2. Compare Fisher's version with the Cambridge version of the quantity theory of money. Which of these two do you regard superior and why?
3. How do changes in money supply affect the rate of interest? Is there any limit beyond which any increase in the money supply will not reduce the rate of interest?

UNIT-II

4. Describe the various methods and devices which are normally employed by a central bank to control credit in a country.
5. Explain the concept of adequate capital fund. What are the standards for measuring capital adequacy in a commercial bank?

UNIT-III

6. What do you mean by non-performing assets? Explain the determinants of NPAs in Indian commercial banks. Also discuss the steps taken by RBI for containing NPAs.
7. Distinguish between balance of trade and balance of payments. What information can be derived from the balance of payments of a country about its economic position?

UNIT-IV

8. What are the different markets to be found in the financial system? State their functions.
9. What are financial derivatives? Discuss their types and role in managing risk

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.