B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

Sixth Semester

Economics — Core

MONEY AND BANKING

(For those who joined in July 2020 only)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Barter system of exchange suffers on account of —————————

   (a) Indivisibility of Goods

   (b) Indivisibility of Money

   (c) Indivisibility of Labour

   (d) Indivisibility of service

2. ————————— is a representative money.

   (a) Animal Money

   (b) Commodity Money

   (c) Metallic Money

   (d) Paper Money

3. Who quoted this M = kPY Cash balance equation?

   (a) Prof. Robertson

   (b) Prof. Marshall

   (c) Irving Fisher

   (d) A.C. Pigou

4. Select the primary functions of money from the given options.

   (a) Store of value

   (b) Transfer of value

   (c) Standard of deferred payments

   (d) Measure of value

5. Who has introduced the concept of inflationary gap?

   (a) Prof. Kurihara

   (b) Prof. Keynes

   (c) Prof. Brooman

   (d) Prof. Shapiro

6. "Deflation is that state of the economy where the value of money is rising or the prices are falling". Who stated this?

   (a) Prof. Crowther

   (b) Prof. Pigou

   (c) Prof. Paul Einzing

   (d) Prof. Hawtrey

7. What is the process by which commercial banks create money?

   (a) Issue of loans

   (b) Accepting New Deposits

   (c) Through Cash Reserve Ratio

   (d) Through investing

8. Which of the following systems of banking contributes to banking Monopoly?

   (a) Unit Banking

   (b) Chain Banking

   (c) Group Banking

   (d) Branch Banking

9. Choose the correct expansion of NEFT from the given option.

   (a) National Electronic Finance Transfer

   (b) National Electronic Funds Transfer

   (c) National Electrical Finance Transfer

   (d) National Electrical Funds Transfer

10. Rupay card is a —————————

    (a) Debit Card

    (b) Credit Card

    (c) Smart Card

    (d) Member Card

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 250 words.

11. (a) Briefly explain the evolution of money.

    Or

    (b) What are the functions of money?

12. (a) Explain the Gresham's Law.

    Or

    (b) Write a short summary of velocity of money.

13. (a) What are the effects of Inflation?

Or

(b) What are the methods of controlling deflation?

14. (a) Highlight the merits and demerits of Branch Banking.

Or

(b) Explain the role of Commercial Bank in a developing economy.

15. (a) Write a short summary of Modern Banking.

Or

(b) Explain the process of NEFT and IMPS.

PART C — (5 × 8 = 40 marks)

Answer ALL questions choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the difficulties of Barter system.

Or

(b) Explain the various kinds of money.

17. (a) Discuss the merits and demerits of paper currency.

Or

(b) Examine any one of the Cambridge Equation of Exchange.

18. (a) Elaborately explain the various kinds of inflation.

Or

(b) Discuss the causes of Inflation.

19. (a) Explain the functions of commercial banks in India.

Or

(b) Explain the credit control measures in India.

20. (a) Discuss the functions of modern banking.

Or

(b) Describe the merits and demerits of credit cards.

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