

(6 pages)

Reg. No. :

Code No. : 20675 E Sub. Code : CMEC 63

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Sixth Semester

Economics — Core

MONEY AND BANKING

(For those who joined in July 2021-2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Near money are closed substitutes for money and are _____ assets
- (a) Liquid
 - (b) Rigid
 - (c) Real
 - (d) Stable

2. Paper money which circulates on the authority of government is _____ money
- (a) Representative (b) Convertible
 - (c) Inconvertible (d) Fiat
3. Bad money drives out goods money in circulation is stated by
- (a) Sir Thomas Gresham
 - (b) Alfred Marshall
 - (c) Irving Fisher
 - (d) Milton Friedman
4. Under _____ system, a fixed number of notes issued by the central bank against reserves of government securities
- (a) Simple Deposit
 - (b) Fixed Fiduciary
 - (c) Maximum Fiduciary
 - (d) Proportional Reserve
5. A state in which the value of money is rising i.e., prices are falling is known as
- (a) Inflation (b) Deflation
 - (c) Stagflation (d) Reflation

6. _____ is a situation when recession is accompanied by a high rate of inflation by a high rate of unemployment
 (a) Reflation (b) Inflation
 (c) Deflation (d) Stagflation
7. _____ banks are those banks which deal in foreign exchange specialised in financing foreign trade
 (a) Commercial (b) Exchange
 (c) Industrial (d) Co-operative
8. _____ bank controls inflationary and deflationary pressures with in the economy
 (a) Commercial (b) Exchange
 (c) Industrial (d) Central
9. The roots of mobile banking can be traced back to the early _____ with the introduction of SMS based banking services
 (a) 1960s (b) 1990s
 (c) 2000s (d) 2020s
10. Choose the correct expansion for NEFT
 (a) National Electronics Funds Transfer
 (b) National Electronics Financial Transfer
 (c) National Employees Fund Transfer
 (d) National Employees Financial Transfer

PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
 Each answer should not exceed 250 words.

11. (a) What are the functions of money?
 Or
 (b) Explain the evolution of money.
12. (a) Highlight the merits of bimetallism.
 Or
 (b) Briefly explain the Fisher's Quantity theory of money.
13. (a) Distinguish between demand pull inflation and cost push inflation.
 Or
 (b) What are the causes of inflation?
14. (a) Explain the merits of Branch Banking.
 Or
 (b) Explain the process credit creation by commercial bank.

15. (a) Write a short summary on IMPS and RTGS.

Or

(b) Explain the function of credit cards.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Discuss the difficulties of Barter System.

Or

(b) Describe the merits and demerits of money.

17. (a) Examine the merits of the paper currency standard.

Or

(b) Explain the Cambridge Cash Balance equations of Marshall and Pigou.

18. (a) Explain the effects of inflation in India.

Or

(b) Evaluation the methods to control deflation.

19. (a) Explain the role of commercial bank in a developing economy.

Or

(b) Describe the functions of RBI.

20. (a) Discuss the benefits of mobile banking.

Or

(b) Examine the features of Google pay.