

(6 pages)

Reg. No. :

Code No. : 10310 E Sub. Code : CMEC 63

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2025.

Sixth Semester

Economics — Core

MONEY AND BANKING

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

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which is the correct order of money evolution?
 - (a) Commodity Money, Paper Money, Metal Money
 - (b) Commodity Money, Metal Money, Paper Money, Credit Money
 - (c) Credit Money, Metal Money, Paper Money
 - (d) None of the above

2. Which one is included in the primary function of money?
 - (a) Medium of Exchange
 - (b) Measure of Value
 - (c) Both (a) and (b)
 - (d) Store of Value
3. Which principle of note issue requires 100% metallic reserves for Notes in circulation?
 - (a) Banking Principle
 - (b) Currency Principle
 - (c) Elasticity Principle
 - (d) Standard Principle
4. Who integrated the theory of money with the theory of prices?
 - (a) J.M. Keynes
 - (b) J.R. Hick
 - (c) J.B. Say
 - (d) T.R. Malthus

5. When the price rise is very slow like the creeper, it is called
- (a) Galloping Inflation
 - (b) Walking Inflation
 - (c) Running Inflation
 - (d) Creeping Inflation
6. Which of the following refers to the prices of goods and services will fall and the value of money will start rising?
- (a) Inflation
 - (b) Stagflation
 - (c) Deflation
 - (d) Flood Inflation
7. Who is the Official lender of last resort in India?
- (a) Reserve Bank of India
 - (b) State Bank of India
 - (c) Commercial Bank
 - (d) World Bank
8. Which of the following method of credit is more effective in India?
- (a) Bank rate policy
 - (b) Open Market operations
 - (c) Moral suasion
 - (d) Direct action

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9. Which is an alphanumeric code that uniquely identifies a bank-branch participating in the NEFT system?
- (a) IFSC
 - (b) STP
 - (c) SFMS
 - (d) RTGS
10. The concept behind a credit card is
- (a) Use now, debit later
 - (b) Buy now, pay later
 - (c) Pay now, get credit later
 - (d) Lend now and do not reimburse

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 merits of Money?
- Or
- (b) Describe the difficulties of Barter System.
12. (a) Enumerate the principles of Currency Note Issue.
- Or
- (b) Discuss the various types of Monetary Standard.

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13. (a) Examine the features of Inflation.

Or

(b) Describe the kinds of Inflation.

14. (a) Analyse the merits and demerits of Unit Banking.

Or

(b) Write a note on Credit Creation.

15. (a) Describe the concepts E-Banking.

Or

(b) Examine the concepts of NEFT.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Examine the various kinds of money.

Or

(b) Enumerate the evolution of money.

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17. (a) Discuss Cambridge Equation of Exchange.

Or

(b) Discuss Fisher's Quantity Theory of Money.

18. (a) What are the causes of Inflation?

Or

(b) Discuss the methods of Controlling Inflation.

19. (a) Explain the role of Commercial Banks in India.

Or

(b) Describe the functions of Reserve Bank of India.

20. (a) Evaluate the functions of Modern Banking.

Or

(b) Explain the Debit Card and Credit Card.

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