

Subject Code : ECO/VI/11

Booklet No. A 513

11 MAY 2017

ECO/VI/11

2017

( 6th Semester )

ECONOMICS

ELEVENTH PAPER

( Financial Institutions and Markets )

Full Marks : 75

Time : 3 hours

( PART : B — DESCRIPTIVE )

( Marks : 50 )

The figures in the margin indicate full marks for the questions

UNIT—I

1. (a) Explain the various quantitative and qualitative methods of credit control of Central Bank. 10

Or

- (b) What are the main objectives of monetary policy? Describe measures used by the Reserve Bank of India (RBI) to control inflation. 3+7=10

G7/374a

( Turn Over )

ed in by the  
andidate

Semester

ce / Commerce /  
) Exam., 2017

ype

B

gnature of  
vigator(s)

/374

( 2 )

UNIT—II

2. (a) Discuss the objectives and functions of Commercial Banks. 10
- Or
- (b) State the components of money supply. Distinguish between money market and capital market. 5+5=10

UNIT—III

3. (a) Define development banks. Describe the structure of development banks in India. 3+7=10
- Or
- (b) Evaluate the recent measures taken by the RBI to regulate the working and functioning of NBFIs (Non-Banking Financial Institutions). 10

UNIT—IV

4. (a) Discuss the functions of Securities and Exchange Board of India (SEBI) as one of the components of financial sector reforms and a regulatory measure in Indian capital markets. 10
- Or
- (b) Describe the structure of financial markets of India. 10

G7/374a

( Continued )

( 3 )

UNIT—V

5. (a) Give arguments for and against a system of fixed exchange rates regime. 10
- Or
- (b) Write notes on the following : 5+5=10
- (i) Distinction between foreign exchange rate and foreign exchange market
- (ii) 'Hedging' in foreign exchange rates

\*\*\*

G7—1100/374a

ECO/VI/11

2017

(6th Semester)

**ECONOMICS**

**ELEVENTH PAPER**

**( Financial Institutions and Markets )**

( PART : A—OBJECTIVE )

( Marks : 25 )

*The figures in the margin indicate full marks for the questions*

**SECTION—A**

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided : 1×10=10

1. Changing the role and growth of Financial institutions, in recent years, Select Financial Institutions viz., IDBI, ICICI Ltd., EXIM Bank, SIDBI and NABARD have been brought under the supervisory purview of the

- (a) Reserve Bank of India (RBI) ( )
- (b) Securities and Exchange Board of India (SEBI) ( )
- (c) Ministry of Finance ( )

2. The capital market involves

- (a) short-term financing ( )
- (b) labour rates ( )
- (c) long-term funding ( )

3. The recent conversion of Financial Institutions into Commercial Banks or Non-Banking Finance Companies (NBFCs) under the regulatory aspect of RBI was suggested by

- (a) Narasimham Committee ( )
- (b) Ministry of Company Affairs ( )
- (c) Ministry of Finance ( )

4. The 'liabilities' of a bank is/are

- (a) advances and loans ( )
- (b) time deposits and share capital contributed by shareholders ( )
- (c) cash with Reserve Bank of India ( )

5. Deposits which arise from granting of loans are called

- (a) primary deposits ( )
- (b) derivative deposits ( )
- (c) fixed deposits ( )

6. Which of the following are the unregulated Credit Agencies?

- (a) Non-Banking Financial Institutions ( )
- (b) Some Cooperative Banks ( )
- (c) Indigenous Bankers and Moneylenders ( )

7. The main function of the 'Call Money Market' is to re-distribute the pool of day-to-day surplus funds of Banks to

- (a) other banks in temporary deficit of cash ( )
- (b) big corporates in temporary deficit of cash ( )
- (c) all State Governments in temporary deficit ( )

8. The government securities or the securities guaranteed by the government is called

- (a) corporate securities ( )
- (b) gilt-edged ( )
- (c) mutual funds ( )

9. Under the flexible or floating exchange rate regime the exchange will be determined by

- (a) government intervention ( )
- (b) foreign intervention ( )
- (c) the market forces ( )

10. Euro-Dollar means

- (a) all US dollar deposits in banks outside America ( )
- (b) all US dollar deposits in banks of European countries ( )
- (c) all US dollar deposits in banks outside and inside America ( )

SECTION—B  
( Marks : 15 )

Write short notes on the following :

3×5=15

1. Reserve Bank of India as currency authority and as Banker to Government

Govt. J. Thankima College

2. Kinds of Money

3. Mutual Funds

Govt. J. Thankima College

( 8 )

4. Unregulated Credit Markets in India—forms of organisation, methods of working and its role

( 9 )

5. Spot and Forward Exchange Markets

Govt. J. Thankima College

\*\*\*