

PG Even Semester (CBCS) Exam., May—2017

UNIT—II

ECONOMICS

(2nd Semester)

Course No. : EC-205 (C)

(Money, Banking and Finance)

*Full Marks : 75**Pass Marks : 30**Time : 3 hours**The figures in the margin indicate full marks
for the questions*Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) What are monetary aggregates? Define near money. 3
- (b) Derive money multiplier and interpret the result. 6
- (c) Discuss the role of the financial system in economic development. 6
2. Describe the structure of the financial system. Explain the characteristics of capital market instruments. 8+7=15

3. What are the objectives of monetary policy? Describe the instruments of monetary policy. 8+7=15
4. Discuss the major reforms undertaken in India under the Narsimham Committee recommendations. 15

UNIT—III

5. Write notes on the following : 8+7=15
(a) SEBI
(b) IRDA
6. Outline the characteristics of futures. How are they different from forwards? How do futures help in risk reduction? 5+5+5=15

UNIT—IV

7. Distinguish between Foreign Direct Investment and Foreign Portfolio Investment. Describe the structure of capital flows on the basis of latest International Investment Report. 5+10=15

(3)

8. What do you understand by dual exchange rate system? Explain the economic rationale of dual exchange rates. Give an idea of the exchange rate policy of India. $2+7+6=15$

UNIT—V

9. How do the characteristics of microfinance institutions differ from traditional banks? Do MFIs constitute an important tool for poverty reduction in developing countries? Discuss. $7+8=15$
10. Write notes on the following : $7+8=15$
- (a) Insurance Companies
 - (b) Mutual Funds

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