

BACHELOR'S DEGREE PROGRAMME

Term-End Examination

December, 2007

ELECTIVE COURSE : COMMERCE

**ECO-9 : MONEY, BANKING & FINANCIAL
INSTITUTIONS**

Time : 2 hours

Maximum Marks : 50

(Weightage 70%)

Note : *The paper contains three sections A, B and C.
Necessary instructions are given in each section.*

SECTION A

*Answer any **two** questions from this section.*

1. What do you mean by demand for money ? Explain the various motives for holding money, with suitable diagrams. 2, 10
2. What are the characteristics of a good money market ? How far are these found in Indian money market ? 4, 8
3. What do you understand by commercial banks ? What are the primary functions of a commercial bank ? 4, 8
4. What is international liquidity ? Discuss various proposals to augment the supply of international liquidity. 4, 8

SECTION B

Answer any **two** questions from this section.

5. Evaluate the role of State Financial Corporations in the industrial development in India. 8
6. Compare and contrast the cash transactions and cash balances approaches to the value of money. 8
7. What do you understand by non-bank financial intermediaries ? Distinguish between the bank and non-bank financial intermediaries. 4, 4
8. Discuss the problems of Indian money market. 8

SECTION C

9. Write notes on any **two** of the following : 5, 5
 - (a) Barter-system
 - (b) Industrial Reconstruction Bank of India
 - (c) Fixed exchange rate regime
 - (d) Branch banking