



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION - ECONOMICS

FIFTH SEMESTER – NOVEMBER 2015

EC 5506/EC 5502 - MONEY AND BANKING

Date : 07/11/2015
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

PART - A

Answer any **FIVE** questions not exceeding 75 words each:

(5x4=20 Marks)

1. Distinguish between money and near money.
2. Write a note on forms of money in modern economy.
3. What are the components of money supply in India?
4. Write a note on Fisher's "Quantity theory of Money".
5. What do you mean by "Lender of the last resort"?
6. What is "Call Money Market"?
7. List out the factors that influence velocity of circulation of money.

PART - B

Answer any **FOUR** questions in about 300 words each:

(4x10=40 Marks)

8. Bring out the significance of money in modern economy.
9. Briefly explain James Tobin's theory of "Demand for Money".
10. Write down the differences between cash transaction approach and cash balance approach.
11. Enumerate the primary functions of commercial banks.
12. Explain the defects of Indian Money Market.
13. What are the various types of note issue? Explain in detail.
14. Bring out the importance of stock exchange for the development of the nation.

PART - C

Answer any **TWO** questions not exceeding 900 words each:

(2x20=40 Marks)

15. Define the concept of Money and discuss its functions.
16. Describe the steps to construct an index number of prices and bring out its significance.
17. What are the shortcomings of quantity theory of money? How is the saving- investment approach an improvement over it?
18. Analyze briefly the methods of credit control adopted by the central bank.

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