



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

**FIFTH SEMESTER – APRIL 2013**

**EC 5506/EC 5502 - MONEY AND BANKING**

Date: 11/05/2013  
Time: 9:00 - 12:00

Dept. No.

Max. : 100 Marks

**PART-A**

Answer any five questions in about 75 words each: (5x4=20)

1. Define money. List out the types of money.
2. What are the different approaches regarding measures of money supply?
3. What is High powered money?
4. Explain the three motives of Liquidity preference according to Keynes.
5. Define Commercial bank. State the functions of commercial bank.
6. Why Central bank is necessary?
7. Write a note on the structure of Indian money market.

**PART-B**

Answer any four questions in about 300 words each: (4x10=40)

8. Explain Primary and Secondary functions of Money.
9. How are changes in the value of money measured? What are the difficulties in measuring them?
10. Compare and contrast the cash balance approach and cash transaction approach to the value of money
11. Explain the credit creation process of commercial banks.
12. What are the principal functions of central bank?
13. Discuss the objectives of credit control.
14. Write a note on the primary and secondary market.

**PART-C**

Answer any two questions in about 900 words each: (2x20=40)

15. Describe the types of paper money with its merits and demerits.
16. “The great merit of Keynesian theory of prices is that it integrates monetary theory of value and output” Do you agree – Give reasons.
17. Explain the instruments used by central bank to control credit.
18. Discuss the defects of Indian money market and suggest measures to remove it.

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