



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – APRIL 2025

UEC 3502 – MONEY AND BANKING



Date: 29-04-2025

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Fill in the blanks

- Money is a _____ for various goods and services in an economy
- According to Gresham's law, the _____ coins will drive under-valued coins out of circulation
- The Fisher equation V stands for _____
- The main function of the central bank is to _____
- Stock exchanges are essentially market places for _____ and _____ financial instruments

2. True or False

- The present monetary system in India is managed and controlled by RBI
- The most commonly used indicator of the money supply is M4
- A change in the quantity of money can lead to a change in the rate of interest
- Credit creation is the most important purpose of commercial banks
- Money market is a market for short-term funds

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. Match the following

- Repo Rate - Maturity
- Money creation - Capital formation
- The saving-investment approach - Commercial banks
- Economic growth - Keynesian Theory
- Fixed returns - 6.25%

4. Expand the following Abbreviations

- IMF
- IDBI
- EXIM
- GNP
- REPOs

SECTION B - K3 (CO2)

Answer any TWO of the following in 100 words each.

(2 x 10 = 20)

- Identify the functions of money.
- Discuss the determinants of demand for money
- Demonstrate Cambridge Cash Balance Theory of Demand for Money
- Summarise the challenges of banking in India

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words each. (2 x 10 = 20)**

- | | |
|-----|---|
| 9. | Inspect the Role of Money in Modern Economies |
| 10. | Write a note on the measures of Money supply |
| 11. | Analyse the Quantity theory of money |
| 12. | Examine the features of money market |

SECTION D – K5 (CO4)**Answer any ONE of the following in 250 words (1 x 20 = 20)**

- | | |
|-----|---|
| 13. | Asses the role, promotional functions and working of RBI in India |
| 14. | Critically examine the Neutrality of money theory |

SECTION E – K6 (CO5)**Answer any ONE of the following in 250 words (1 x 20 = 20)**

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|-----|--|
| 15. | Compile the role of capital market in India |
| 16. | Elaborate the monetary systems, policy and functions in India and also give some suggestions to improve it |
