

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

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

**FIFTH SEMESTER – November 2009**

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

Date & Time: 07/11/2009 / 9:00 - 12:00 Dept. No.

Max. : 100 Marks

**PART-A**

Answer any FIVE questions in about 75 words each.

(5 x 4 = 20 marks)

1. Define the concept of money.
2. State the components of money supply.
3. What is an index number? Explain its uses.
4. What do you mean by High powered money?
5. Define a commercial bank.
6. Is the central bank really necessary for the banking system of a country?
7. Define a non-banking financial intermediary.

**PART-B**

Answer any FOUR questions in about 300 words each.

(4 x 10 = 40 marks)

8. Explain the role of money in a modern economy.
9. Bring out the determinants of money supply.
10. Critically examine the cash balance approach to quantity theory of money.
11. Enumerate the various items on the balance sheet of a commercial bank.
12. Distinguish between a central bank and a commercial bank.
13. Briefly explain the various instruments of money market.
14. Define a capital market. Distinguish between primary and secondary market.

**PART-C**

Answer any TWO questions in about 900 words each.

(2 x 20 = 40 marks)

15. Discuss the various types of money and mention the major functions of money.
16. Examine the Keynesian integration of monetary and value theory.
17. What are the various instruments adopted by the central bank to control the supply of credit?
18. Critically evaluate the performance of commercial banking in India.

