

15-12-2015

DOON UNIVERSITY, DEHRADUN

Final Semester Examination, 2015

School of Social Sciences

Msc. Economics Integrated (Fifth Semester)

Course Code: SSEI-650 Money & Banking

Time Allowed: 3 Hours

Maximum Marks: 50

Note: attempt all questions from sections A, any four from section B & any two questions from section C

Good luck ☺

Section A (Attempt all questions)

(2*5= 10 marks)

- 1) If $NR > MR$, what happens to the level of Investment & Saving? What is the effect on Price level?
- 2) What is Stagflation?
- 3) Which bank was called as Quasi Central Bank & why? Briefly throw some light on the existence of such bank
- 4) Do you think banking institutions existed in the nineteenth & twentieth century?
- 5) What do you understand by Flexi- Deposit? How is it different from RD & FD?

Section B Attempt any four questions.

(4*5=20 marks)

- 1.) The Narsimham Committee which was formed to identify the reasons for the decline in the banking structure majorly focussed on the NPA. Briefly explain how do you classify such assets?
- 2.) From the following attempt any five-
 - a) Biometric Cards
 - b) MOD
 - c) SIP
 - d) Financial Inclusion
 - e) NEFT/RTGS
 - f) Cross Selling
- 3.) If the primary deposit made by Mr. Anil in SBI is Rs. 15000 and the present CRR is 5%, find out how much credit can be multiplied? (Calculation need to be shown upto 3 transactions). Also, mention what happens to the credit creation if-
 - a) CRR amount changed to 10%
 - b) If there is less availability of securities
 - c) If people are traditional natured (More use of cash for payments)
- 4.) "A well-developed financial market is the backbone of every economy". Based on these lines, differentiate the two major components of financial market.
- 5.) Explain the following-
 - a) Effect of inflation on Creditors
 - b) Effect of deflation on preference shareholders
 - c) Effect of deflation on rent earners
 - d) Effect of inflation on production
 - e) Moral effects of Inflation

Section C Answer any two questions.

(2* 10=20 marks)

- 1.) The banking sector of Indian economy did not originate in the same manner as it is viewed today. It had been gone through various phases, where there was a need to mould the structure from time to time. On the basis of this information, put some light on the *Changing scenario* of the banking structure explaining what the reasons that led to bring such changes were.
- 2.) a) Critically examine the Keynesian Theory

OR

b) Highlight the importance of Keynesian theory
(Kindly mention which part of the question you are attempting)

- 3.) If the credit facilities in an economy rises, what type of inflation can it generate & why? Explain with the help of a diagram.
Also explain the measure by which we can control such rise in price. (Please be precise in explaining the different methods)