

P.G. Diploma in Financial Institutions and Markets
Examination, August/September 2010
(Directorate of Distance Education)
(Freshers)
Paper – I : MONEY AND BANKING

Time : 3 Hours

Max. Marks : 80

SECTION – A

1. Answer the following in **two** or **three** sentences **each**. **Each** question carries **2** marks : **(5×2=10)**
- a) State the functions of money.
 - b) Define velocity of circulation of money.
 - c) What is unit banking ?
 - d) Give the meaning of credit creation.
 - e) What are the different types of deposits ?

SECTION – B

- Answer any **FIVE** of the following. **Each** question carries **8** marks : **(5×8=40)**
2. Explain the determinants of money supply.
 3. Write about the measures of money supply used in India.
 4. Examine the role of money in modern economies.
 5. Explain the components of the balance sheet of a bank.
 6. Describe the process of credit creation by commercial banks.
 7. Evaluate the cash transactions approach to the theory of money.

SECTION – C

- Answer any **THREE** of the following. **Each** question carries **10** marks : **(3×10=30)**
8. Examine the nature of demand for money.
 9. Explain the advantages and disadvantages of branch banking.
 10. Write about the functions of a commercial bank.
 11. Critically examine the anticipated income theory of banking.