5 SEM TDC DSE ECO (CBCS) 5 (H)

2024

(November)

ECONOMICS

(Discipline Specific Elective)

(For Honours)

Paper : DSE–5

(Money and Financial Market)

Full Marks : 80
Pass Marks : 32

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer the following as directed : 1×8=8

(a) According to Fisherian approach of money supply :

MV = ____ (Fill in the blank)

(b) What is velocity of money?

(c) Define high-powered money.

(d) NBFIs pay higher interest rates to the depositors and charge lower interest rates from the borrowers than commercial banks.

(Write True or False)

(e) Define liquidity trap.

(f) Mention one objective of National Stock Exchange (NSE).

(g) What is term structure of interest rate?

(h) Which of the following is an asset for a commercial bank?

(i) Credit to farmers

(ii) Deposit of public

(iii) Borrowings from RBI

(iv) Demand deposit of industries

(Choose the correct answer)

2. Write short notes on any *four* of the following (**within 150 words** each) : 4×4=16

(a) Government securities market

(b) Non-banking financial institutions

(c) Sources of interest rate differentials

(d) Portfolio management in Commercial Banks

(e) Functions of Commercial Banks

3. *(a)* Discuss the various approaches to the definition of money. Mention the various functions of money. 6+6=12

Or

(b) Discuss the theories of determination of money supply. 12

4. *(a)* What are the main features of money market? State and explain the functions of money market. 5+6=11

Or

(b) State and explain the similarities and differences between money market and capital market. What is call money market? 8+3=11

5. *(a)* Distinguish between stock exchange and stock market. Discuss, in brief, the importance of BSE-Sensex and NSE Nifty. 3+4+4=11

Or

(b) Explain the operation of stock market in India. Discuss about the drawbacks of Indian stock exchanges. 6+5=11

6. *(a)* Discuss the expectations theory of term structure of interest rate. What are its limitations? 8+3=11

Or

(b) Explain the neoclassical loanable funds theory of interest rate. What are its limitations? 8+3=11

7. *(a)* Discuss the qualitative and quantitative methods of credit control adopted by the central bank. 5½+5½=11

Or

(b) What are the objectives of monetary policy? Do you think these objectives are contradictory to each other? Give reasons in support of your answer. 6+5=11

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