

MA ECONOMICS
Third Semester
BANKING & FINANCIAL INSTITUTIONS
(MEC – 14)

Duration: 3Hrs.

Full Marks: 70

Part-A (Objective) =20

Part-B (Descriptive) =50

(PART-B: Descriptive)

Duration: 2 hrs. 40 mins.

Marks: 50

Answer any *five* of the following questions:

1. Why RBI is called the lender of last resort? Explain any two qualitative function of RBI. (2+8=10)
2. What is the different between Intermediaries and Non- intermediaries? Explain the theory of force saving. (3+7=10)
3. Which three banks were amalgamated to form the imperical bank of India? What is the role of SBI in agricultural finance? (3+7=10)
4. What is mutual fund? What is its role in financial system? (4+6=10)
5. What is international capital movement? What is the various type of international capital movement? (4+6=10)
6. What is Euro-dollar market? What are the various feature of Euro-dollar market? (3+7=10)
7. Who is "Market maker" in the foreign exchange market? What is spot and forward exchange market? (2+8=10)
8. What are the three actions that linked the forward exchange rate with the spot rate? Explain any one of them. (3+7=10)

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Duration: 20 minutes

Marks – 20

(PART A- Objective Type)

I. Fill in the blanks.

1×10=10

- a) All banks dealing in foreign exchange maintain abroad, _____
account with foreign bank.
- b) Vostro Account stands for _____.
- c) The average relative strength of a given currency is called _____.
- d) Bank of International Settlement is established in _____.
- e) The rate is settled now but actual transaction takes place in future, it is known as
_____.
- f) When forward rate is greater than spot rate it is called _____.
- g) The origin of Euro- dollar market can be traced back to _____.
- h) The flow of capital with a control over the assets created in the capital importing country is
called _____.
- i) Untied aid is a general purpose aid it is also known as _____.
- j) The process of simultaneous buying and selling of foreign currency in two markets is
known as _____.

II. State whether the following are true or false:

1×5=5

- a) The central co-operative bank, co-ordinate and regulate the working of the state co-operative banks.
- b) Land Development Bank deals with short-term loan.
- c) PACBs and PLDBs are at the village level.
- d) Qualitative methods of credit control aim at controlling cost of credit.
- e) If there is a need to expand credit the RBI will decrease the bank rate.

III. Write the full forms of the following abbreviations:

1×5=5

- a) SLDBs :
- b) BIS :
- c) SDRs :
- d) IDA :
- e) FIIs :
