



Reg. No. :

Name :

V Semester B.A. Degree (CBCSS – Reg./Sup./Imp.) Examination, November 2020
(2014 Admn. Onwards)

CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
5B11 ECO : Economics of Banking and Finance

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. (Each question carries 1 mark).

1. Define a financial claim.
2. What is a NBFI ?
3. Define a smart card.
4. Explain what a Statutory Liquidity Ratio is

(4×1=4)

PART – B

Answer **any 7** questions. (Each question carries 2 marks).

5. What is online banking ? What is its purpose ?
6. How is the OTCEI different from the BSE and NSE ?
7. Mention four Banking sector reforms implemented in India after the 1990s.
8. Why was the IDBI set up in India ?
9. What are the pre-requisites of a sound commercial banking system ?
10. Explain what is meant by Call money.
11. Why are Stock Market Indices calculated ?
12. What are Financial Services ?
13. What is the advantage of core banking ?
14. Swaps are derivative instruments. Explain.

(7×2=14)

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PART – C

Answer **any 4** questions. (**Each** question carries **3** marks).

15. Detail the various types of Money Market instruments that are in circulation in India.
16. Give an overview of the National Stock Exchange in India.
17. Differentiate between a Treasury Bill and a Commercial Bill.
18. What are the basic differences between the money and capital market ?
19. Write a note on ICICI.
20. What is the purpose of the Central Bank fixing the Cash Reserve Ratio ? (**4×3=12**)

PART – D

Answer **any 2** questions. (**Each** question carries **5** marks).

21. Explain with help of a diagram the structure and composition of the financial system in India.
22. Describe the mechanism of credit creation in an economy with the help of an example.
23. Write an essay on any 5 development banks that are functioning in India today.
24. Briefly explain the major financial sector reforms that have been implemented in India. (**2×5=10**)