

2021

ECONOMICS — HONOURS

Paper : DSE - A(2) - 1

(Money and Financial Market)

Full Marks : 65

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer **any ten** questions :

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| (a) State two important characteristics of the assets traded in the money and financial markets. | 2 |
| (b) Distinguish between money market and capital market. | 2 |
| (c) Define Repo rate. | 2 |
| (d) What is leveraging? | 2 |
| (e) What are the roles of financial institutions? | 2 |
| (f) What is debenture? | 2 |
| (g) What is meant by Asymmetric Information? | 2 |
| (h) What is moral suasion? | 2 |
| (i) What happens to money supply if the value of money multiplier rises? | 2 |
| (j) Distinguish between primary and secondary market. | 2 |
| (k) What do you mean by Stock Exchange? Name any two Stock Exchanges of India. | 1+1 |
| (l) Distinguish between Narrow money and Broad money. | 2 |
| (m) Define T-bills. | 2 |
| (n) State any two important functions of SEBI. | 2 |
| (o) Give two examples of Development Financial Institutions (DFI) in India. | 2 |

Group - B

Answer **any three** questions.

5×3

2. What are the general features of the financial institutions?
3. What are the main types of risk associated with the operation of a Bank?
4. Give a brief idea on the structure of balance sheet of RBI.

Please Turn Over

5. Distinguish between equity share and preference share.
6. Write a short note on Banking Sector Reforms in India during 1991.

Group - C

Answer *any three* questions.

7. Give a brief account on adverse selection and moral hazard in the financial market with suitable examples. 4+6
 8. (a) Write a short note on the measures of money supply in India.
(b) What are the instruments of Credit Control of RBI? 4+6
 9. State the different theories on term structure of interest rate. 10
 10. (a) 'Government securities are considered as risk free instruments'— Examine.
(b) Give a brief account on the different types of money market instruments in India. 3+7
 11. (a) What are the sources of Interest rate differential in Banks?
(b) What do you mean by derivatives? What are the common types of derivatives traded in financial market? 2+(2+6)
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