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

2 0 2 2

(Nov/Dec)

ECONOMICS

(Discipline Specific Elective)

(For Honours)

Paper : DSE–5

(Money and Financial Markets)

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) The words 'Bulls and Bears' are associated with

       (i) import and export

       (ii) banking

       (iii) marketing

       (iv) speculator

                    (Choose the correct answer)

(Turn Over)

(b) _____ is also called zero-coupon bond.

.(Fill in the blank)

(c) Which of the following is/are the instrument of money market?

    (i) Call money

    (ii) Certificate of deposits

    (iii) Trade bills

    (iv) All of the above

(Choose the correct answer)

(d) The capital market in India is controlled by

    (i) RBI

    (ii) SEBI

    (iii) NABARD

    (iv) None of the above

(Choose the correct answer)

(e) Mention any one function of commercial bank.

(f) With lowering margin requirements by the Central Bank, the borrowing capacity of the borrowers

    (i) rises

    (ii) falls

    (iii) may rise or may fall

    (iv) remains unchanged

(Choose the correct answer)

(Continued)

(g) Money supply is a stock/flow concept.

(Choose the correct answer)

(h) Bombay Stock Exchange is the ____ stock exchange of Asia.

(Fill in the blank)

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

(a) Call money market

(b) Non-banking financial intermediaries

(c) Treasury bill market

(d) Selective credit control method by the Central Bank

(e) Sources of interest rate differentials

3. *(a)* Discuss the concept of supply of money and its measurement. 4+8=12

Or

(b) Discuss RBI's approach to money supply. Prepare a brief note on high-powered money. 8+4=12

4. *(a)* What do you mean by money market? What are its functions? Discuss the structure of money market. 2+3+6=11

Or

(b) What are the components of capital market? How are securities issued in the primary market? What is the difference between primary and secondary security market? 2+6+3=11

5. (a) What do you mean by stock exchange? What is the difference between stock exchange and stock market? Discuss the operation of stock market in India. 2+3+6=11

Or

(b) Write notes on (i) BSE Sensex and (ii) NSE Nifty. 5½+5½=11

6. (a) Discuss the expectations theory of term structure of interest rate. 11

Or

(b) Compare and contrast liquidity preference and preferred habitat theories of term structure of interest rate. 11

7. (a) Discuss the credit control methods of the Central Bank. 11

Or

(b) Discuss monetary management in an open economy. 11

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