

Total No. of Printed Pages—4

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

2 0 2 3

(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) $M_3 = \text{_____} + \text{_____}$.

(Fill in the blanks)

(b) Treasury Bills are short-term Government Securities generally of _____ months duration.

(Fill in the blank)

(c) When was SEBI established as a statutory body?

(2)

- (d) How many companies are included in BSE sensex?
- (e) Which of the following is not a part of demand for loanable funds?
(i) Investment
(ii) Dissaving
(iii) Bank money
(iv) Hoarding
(Choose the correct answer)
- (f) Demand for money for speculative motive is a negative function of rate of interest.
(Write True or False)
- (g) Bank rate is the
(i) market rate of interest
(ii) discount rate of Central Bank
(iii) discount rate of commercial bank
(iv) None of the above
(Choose the correct answer)
- (h) Which of the following is not a method of selective credit control?
(i) Rationing of credit
(ii) Marginal requirements
(iii) Cash reserve ratio
(iv) Regulation of consumer credit
(Choose the correct answer)

24P/186

(Continued)

(3)

2. Write short notes on any *four* of the following (within 150 words each) : $4 \times 4 = 16$
(a) High-powered money
(b) Primary and secondary market for securities
(c) Commercial bill market
(d) Uses of expectation hypothesis
(e) Functions of Central Bank
3. (a) Discuss about the various determinants of money supply. Write about the RBI approach to money supply. $6+6=12$
Or
(b) What is money multiplier? What are the objectives of money multiplier? Write the formula of money multiplier. $2+8+2=12$
4. (a) Describe the structure of financial markets. Discuss the role of financial derivatives in the financial market. $6+5=11$
Or
(b) What are the different types of non-banking financial institutions found in India? State the role and importance of non-banking financial institutions in Indian economy. $5+6=11$

24P/186

(Turn Over)

5. (a) Examine the role and functions of stock exchange in India. Mention the drawbacks of Indian stock exchanges.

6+5=11

Or

- (b) What is stock market index? What are the methods of calculating stock market index? What are bull and bear markets?

2+6+3=11

6. (a) What is meant by the term structure of interest rate? State and explain the liquidity premium and segmented market theory of the term structure of interest rate.

3+4+4=11

Or

- (b) Explain the liquidity preference theory of rate of interest.

11

7. (a) Explain the process of multiple credit creation by commercial banks. What are its limitations?

8+3=11

Or

- (b) What are the instruments of monetary policy? Mention the highlights of the current monetary policy of India. 7+4=11
