

**THIRD SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2022**

[November 2021 Session for SDE/Private Students]

(CBCSS)

Economics

ECO 3E 01—BANKING : THEORY AND PRACTICE

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

Part A

Answer all questions.

Each question carries 1/5 weightage.

Multiple Choice Questions :

1. Banking is a system where banks combine both the deposit banking and invest banking functions :
 - a) Chain banking.
 - b) Deposit banking.
 - c) Investment banking.
 - d) Mixed banking.
2. Which bank was introduced first ATM machine in India ?
 - a) RBI.
 - b) HSBC.
 - c) PNB.
 - d) ICICI bank.
3. IFSC stands for _____.
 - a) Indian Financial System Code.
 - b) International Financial System Code.
 - c) Indian Fund Service Code.
 - d) None of these.
4. The features of the commercial paper are :
 - a) It is an unsecured instrument issued in the form of promissory note.
 - b) The highly rated corporate borrowers can raise short term funds through this instrument.
 - c) It is an additional instrument to the investing community.
 - d) All the above.

Turn over

5. The most important reason for an investor to go for a bank deposit is :
- a) The credit worthiness of the bank. b) The Bank does not invest in the securities.
c) The Bank offers a guarantee. d) All of the above.
6. Which of the following is a measure of selective credit control ?
- a) Bank rate policy. b) Statutory cash reserve ratio.
c) Open market operation. d) None of the above.
7. The Card that is basically a payment mechanism which allows the holder of the card to make purchase without any immediate cash payment :
- a) ATM. b) Credit.
c) Debit. d) Kishan Credit.
8. Rules of conduct of foreign exchange business in India are framed by :
- a) FEDAI. b) FEDAI under the control of RBI.
c) Exchange Control Dept. of RBI. d) IBA.
9. On which day the New Development Bank (NDB) floated by the BRICS nations, including India started its operations at its headquarters in Shanghai ?
- a) 20th July' 2015. b) 1st April' 2015.
c) 21st July' 2015. d) 19th July' 2017.
10. Which one of the following is the special drawing right given by the International Monetary Fund to its member countries ?
- a) Cold money. b) Hot money.
c) Paper gold. d) None of these.
11. The world's four major trading currencies are all free to float against each other. They include all the following except :
- a) The British Pound. b) The Japanese Yen.
c) The Spanish Peso. d) The US Dollar.
12. Which of the following cannot be included in international financial and monetary system ?
- a) WTO b) IMF.
c) World Bank. d) Bank for International Settlement.

27. Describe role of non-banking financial institutions.
28. What are the Digital Payment Devises ? Bring out their merits.
29. What are the implications of COFEPOSA ACT ?
30. What are the implications of FRBM Act 2003 ?
31. What are the functions of Federal Reserve System ?
32. Describe the role of CIBIL.
33. Critically evaluate the recent financial crisis in India.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries 4 weightage.

34. Evaluate the efforts of RBI in the recent financial crisis of India.
35. Examine the problems of international banking.
36. Describe the role of specialized financial institutions in economic development.
37. Describe the essentials of innovations in banking sector.

(2 × 4 = 8 weightage)