C/D

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EXAMINATION : MAY - 2016

SECOND SEMESTER

Sub: Monetary Policy (MCB - 212)

Date: 24/05/2016	Total Marks :60	Time: 10.00 am to 12.30 pm

Instructions: 1) All questions are compulsory.

2) Figures to the right indicate full marks.

Q.1 Answer the following questions. (Attempt any two) **(32)**

1 Explain the qualitative instruments of Monetary policy with its mechanism and effectiveness

2 Explain in detail the importance of Monetary policy.

3 Explain the various money supply measures of the RBI.

4 What is Post - Shipment Finance? Explain in detail.

Q.2 Answer the following. (Attempt any one) **(08)**

1 State the concept of High powered Money.

2 State key characteristics of Money Supply.

3 Discuss Non - farm Sector.

Q.3 Write short notes. (Attempt any two) **(10)**

1 Price stability

2 Role of regional rural bank

3 Exim bank

4 Bank rate

Q.4 Select the Correct Alternatives (Attempt Any Ten) **(10)**

1. ------------- acts as a circulating medium of exchange.

a. Money Demand b. Money supply
c. Market d. Demand and Supply

2. L1 includes ----------------certificates.

a. Time Liabilities b. Deposits
c. Liquidity Aggregates d. Financial Aggregates

3. ------------- and ---------------are the objective of Monetary policy.

a. Price stability and credit control b. Poverty and National Income
c. Demand and Market stability d. Price stability and poverty

4. CRR means ----------------

a. Cash repo rate b. Cash reserve ratio
c. Credit report rate d. Credit reserve rate

5. The qualitative methods of credit regulation is known as -----------------------

a. Selective credit control b. Fixed credit control
c. Variable credit control d. Effective credit control

6. SFC means ----------------

a. State finance corporation b. State fixed company
c. Statutory finance corporation d. State finance company

7. ERIC means ---------------------

a. Export risk Indian company
b. Economic regulatory Indian corporation
c. Export risk insurance corporation
d. Economic risk insurance company

8. Term lending loans are given for a long periods ranging from ---------

a. 1 to 10 years
b. 10 to 15 years
c. 1 to 5 years
d. 5 to 10 years

9. Treasury bills are issued for -------------- days.

a. 172
b. 182
c. 192
d. 185

10. The instruments used by central bank to regulate the money supply are classified into --------------- and ----------------methods.

a. Qualitative and Quantitative
b. Selective and fixed
c. Qualitative and actual
d. Quantitative and variable

11. In view of the economy -------------------------is dangerous.

a. Poverty
b. Unemployment
c. Population
d. Income

12. --------------------of India regulates credit supply according to the needs of traders.

a. RBI
b. SBI
c. SEBI
d. SFCs
