

(2 ½ Hours)

[Marks : 75]

Note: 1) All questions are compulsory.**2) Figures to the right indicate full marks****(1) (A) Choose the correct alternative. (Any Eight)****(8)**

- 1) Growth with _____ is one of the important objectives of monetary policy.
a) inflation b) profit c) price stability d) Supervision
- 2) The Central Board of Directors of the Reserve Bank of India consist of _____ members.
a) 30 members b) 20 members c) 15 members d) 10 members
- 3) Forecasting or fixing rate of inflation is called _____.
a) reflection b) inflation targeting c) deflection d) exchange
- 4) The money market is divided into _____ and _____ market.
a) primary & secondary b) organized and unorganized c) asset & liquid d) dependent and interdependence
- 5) The Bretton woods Conference led to the establishment of _____.
a) RRA b) RBI c) IBF d) IMF
- 6) Which of the following function of a central bank may potentially conflict with its monetary policy role? _____.
a) Manager of the national debt b) Banker to the banking system c) Issuer of currency d) Banker to the government.
- 7) Who works as RBI's agent at places where it has no office of its own? _____.
a) State Bank of India b) Ministry of Finance c) Government of India d) International Monetary Fund
- 8) The Bank for International Settlements is located at _____.
a) Zurich, Switzerland b) Basel, Switzerland c) Lucerne, Switzerland d) Bern, Switzerland
- 9) Monetary policy in India is formulated by _____.
a) monetary policy b) monetary policy committee c) monetary policy fund d) monetary policy value
- 10) Managed float system involves the intervention of the _____ in the forex market.
a) Federal Bank b) World Bank c) Central Bank d) RBI

(1) (B) State whether the following statements are true or false (Any Seven) (7)

- 1) The Reserve Bank of India competes with all other banks of the country.
- 2) The affairs of the Reserve Bank of India are managed by the Central Board of Directors.
- 3) Transparency refers to the degree of public understanding of Central Bank's policies of decision-making process.

- 4) An electronic payment is any kind of non-cash payment that doesn't involve a paper check.
- 5) World Bank is playing main role of providing loans for development works to member countries,
- 6) The RBI can increase the money supply in the market by selling government securities
- 7) A financial system is a network of financial institutions, financial markets, financial instruments and financial services to facilitate the transfer of funds.
- 8) Inspection is a tool that helps RBI to stabilize money supply and prices of Government securities.
- 9) The Foreign Exchange Regulation Act. (FERA) passed by the government empowered RBI to have full control over management of foreign exchange.
- 10) India is a member of the International Monetary Fund.

Q2) (A) Evaluate the important functions of RBI from the point of view of the overall development of Indian financial system. **(8)**

(B) Analyse the factors limiting RBI's autonomy. **(7)**

OR

(C) Enumerate the factors responsible for the changing face of central banking in India. **(8)**

(D) Define Inflation targeting and assess its role in controlling inflation. **(7)**

Q3 (A) Summarize the functions of various departments of RBI. **(8)**

(B) Define monetary policy and examine the significant objectives of monetary policy in the context of economic development. **(7)**

OR

(C) Elaborate and summarise various instrument of monetary policy. **(8)**

(D) Evaluate the limitations of Fiscal policy. **(7)**

Q4 (A) Explain important provisions of Banking Regulation Act of 1949. **(8)**

(B) Summarise the changing trends witnessed in the banking sector in the post liberalised era. **(7)**

OR

(C) Enumerate core principles for effective supervision applicable for the supervisors.

(Any eight) (8)

(D) Evaluate the benefits of OSMOS to central bank and other banks. (7)

Q5 (A) Explain the structure and functions of the Euro System. (8)

(B) Define e-banking and explain the advantages of e-banking. (7)

OR

Q5 (C) Write short notes on (Any three) (15)

- 1) IMF
- 2) World Bank
- 3) E- payments
- 4) IBRD
- 5) Federal Reserve System