

**2021**

**ECONOMICS — HONOURS**

**Paper : DSE - A(2) - 1**

**(Money and Financial Market)**

**Full Marks : 65**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group - A**

1. Answer **any ten** questions :

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|--|-----|
| (a) State two important characteristics of the assets traded in the money and financial markets. | 2   |
| (b) Distinguish between money market and capital market.   | 2   |
| (c) Define Repo rate.  | 2   |
| (d) What is leveraging?  | 2   |
| (e) What are the roles of financial institutions?  | 2   |
| (f) What is debenture?   | 2   |
| (g) What is meant by Asymmetric Information?   | 2   |
| (h) What is moral suasion?   | 2   |
| (i) What happens to money supply if the value of money multiplier rises?                         | 2   |
| (j) Distinguish between primary and secondary market.  | 2   |
| (k) What do you mean by Stock Exchange? Name any two Stock Exchanges of India.                   | 1+1 |
| (l) Distinguish between Narrow money and Broad money.  | 2   |
| (m) Define T-bills.  | 2   |
| (n) State any two important functions of SEBI.   | 2   |
| (o) Give two examples of Development Financial Institutions (DFI) in India.                      | 2   |

**Group - B**

Answer **any three** questions.

5×3

2. What are the general features of the financial institutions?
3. What are the main types of risk associated with the operation of a Bank?
4. Give a brief idea on the structure of balance sheet of RBI.

**Please Turn Over**

5. Distinguish between equity share and preference share.
6. Write a short note on Banking Sector Reforms in India during 1991.

**Group - C**

Answer *any three* questions.

7. Give a brief account on adverse selection and moral hazard in the financial market with suitable examples. 4+6
  8. (a) Write a short note on the measures of money supply in India.  
(b) What are the instruments of Credit Control of RBI? 4+6
  9. State the different theories on term structure of interest rate. 10
  10. (a) 'Government securities are considered as risk free instruments'— Examine.  
(b) Give a brief account on the different types of money market instruments in India. 3+7
  11. (a) What are the sources of Interest rate differential in Banks?  
(b) What do you mean by derivatives? What are the common types of derivatives traded in financial market? 2+(2+6)
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