

Duration: 2 ½ hours

Marks : 75

- Note: 1) All questions are compulsory.  
2) Figures to the right indicate full marks

(1) (A) Choose the correct option : (Any Eight) (8)

- 1) LPG was introduced in India in \_\_\_\_\_.  
a) 1981      b) 1991      c) 1999      d) 2001
- 2) The RBI is in charge of the \_\_\_\_\_ policy of the country.  
a) structural      b) trade      c) fiscal      d) monetary
- 3) The 25 core principles of effective banking supervision enunciated by \_\_\_\_\_.  
a) IRDAI      b) LIC      c) BIS      d) SEBI
- 4) Repo & Reverse Repo are \_\_\_\_\_ instruments.  
a) Budgetary      b) Quantitative      c) Fiscal      d) Qualitative
- 5) The process by which RBI or any Central Bank protects the economy against adverse economic shocks is known as \_\_\_\_\_.  
a) Protection      b) Liberalisation      c) Stabilisation      d) Sterilization
- 6) The NABARD was set up in \_\_\_\_\_.  
a) 1981      b) 1982      c) 1983      d) 1984
- 7) Central Bank accept receipts and make payment on behalf of Government by acting as \_\_\_\_\_.  
a) Banker's Bank      b) Banker to government      c) Banker to agency      d) Banker to institution
- 8) There are \_\_\_\_\_ Federal Reserve Banks in the USA.  
a) 11      b) 12      c) 14      d) 15
- 9) The Sites which allow the customers to do all banking transactions are called \_\_\_\_\_.  
a) Advanced transactional websites      b) Expert information website information  
c) Basic website      d) Simple transactional websites
- 10) In CAMELS Model 'M' stands for \_\_\_\_\_.  
a) Mitigation      b) Mismanagement      c) Management      d) Minority

(1) (B) State whether the following statements are True or False (Any 7 of 10) (7)

1. The Reserve Bank of India competes with all other banks of the country.
2. Repos are used to inject liquidity in the market.
3. OSMOS helps both the Central Bank and commercial banks.
4. The RBI can increase the money supply in the market by selling government securities.
5. Monetary Policy alone can control inflation.

6. Price stability and economic growth are conflicting in nature.
7. The bank of England is the oldest Central Bank in the world.
8. The Bretton Woods system came into existence in 1944.
9. The BIS headquarters is located at Basel.
10. SEBI is the regulator of capital market

- (2) (a) Explain inflation targeting and exchange rate targeting adopted by Central Banks. (8)  
(b) How can Central Banks ensure transparency? (7)

OR

- (c) Briefly explain the traditional functions of Central Bank. (8)  
(d) Explain the concepts of credibility and accountability in detail. (7)

- (3) (a) Describe the various selective instruments of monetary policy. (8)  
(b) Define fiscal policy and discuss the objectives of fiscal policy. (7)

OR

- (c) Explain the role of Monetary Policy Committee. (8)  
(d) How does the Central Bank play a regulatory role? (7)

- 4) (a) Examine the merits and demerits of unified regulator. (8)  
(b) Briefly explain on-site inspection and off-site monitoring. (7)

OR

- (c) What is Banking Regulation Act, 1949? Explain some of its important provisions. (8)  
(d) What is OSMOS? what are its advantages to the Central Bank and to other banks? (7)

- (5) (a) Explain the different risks involved due to IT induced banking. (8)  
(b) What are the functions of the People's Bank of China? (7)

OR

- (5) Write Short Notes on : (Any 3 of 5) (15)

- a. Public debt
- b. Functions of the Department of Banking Supervision
- c. CAMELS Rating
- d. E-Banking
- e. Bank Rate