

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 alternative: (Any 8 of 10)

(8)

1. The RBI became operational in the year \_\_\_\_\_.  
a) 1949      b) 1934      c) 1935      d) 1969
2. Guidelines for E-banking at the international level are issued by \_\_\_\_\_.  
a) BIS      b) ECB      c) RBI      d) Federal Reserve System
3. CCIL was established in \_\_\_\_\_.  
a) 2001      b) 2004      c) 2010      d) 2002
4. Growth with \_\_\_\_\_ is one of the important objectives of monetary policy.  
a) inflation      b) profit      c) price stability      d) Supervision
5. In CAMEL rating model L stand for \_\_\_\_\_.  
a) liability      b) less NPAs      c) large NPAs      d) liquidity
6. RBI achieves stability in the foreign exchange market through \_\_\_\_\_.  
a) Bank rate      b) Repo and reverse repo      c) Market stabilisation scheme  
d) Marginal standing facility
7. There are \_\_\_\_\_ countries in the European Union.  
a) 27      b) 28      c) 29      d) 25
8. Licenses to start a bank are issued by \_\_\_\_\_.  
a) RBI      b) SEBI      c) ITA      d) IRDA
9. Under deficit financing, the central government borrows from the \_\_\_\_\_.  
a) IMF      b) central bank      c) corporate houses      d) local bodies
10. The central bank of the USA is called the \_\_\_\_\_.  
a) Reserve Bank of USA      b) Federal Reserve System  
c) Federal Bank      d) Bank of USA

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

(7)

1. Monetary Policy alone can control inflation.
2. OSMOS helps both the central bank and commercial banks.
3. During recession, Repo rate is increased.
4. SEBI is the regulator of capital market.
5. India is a member of the International Monetary Fund.
6. Money market deals with long term funds.
7. The RBI can increase the money supply in the market by selling government securities.
8. Commercial paper is issued by RBI.
9. The RBI inspects both banking and non banking finance companies.
10. There is competition between traditional banking and e-banking.

- 2 (A) Describe some of the important functions associated with Central banks. (8)  
2 (B) Explain the evolution of the Central Bank of India. (7)

OR

- 2 (C) Define central banking and what are the factors contributed to the growth of central banking in developed and developing economies? (8)  
2 (D) What are the factors limiting autonomy of central bank? (7)

- 3 (A) Explain instruments of monetary policy in detail. (8)  
(B) Explain the organisational framework of RBI. (7)

OR

- 3 (C) Discuss important instruments of macroeconomics and identify and elaborate the limitations of fiscal policy (8)  
(D) What are the goals of monetary policy of the RBI? (7)

- 4 (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

- 4 (C) Explain the structure of the Indian Money market. (8)  
4 (D) Briefly explain the features of the Regulations Review Authority. (7)

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

OR

- 5 (C) Write Short Notes on (Any 3 of 5) (15)  
a) Central banks and determination of goals.  
b) Banking sector reforms  
c) Unified regulator  
d) World Bank  
e) Commercial Paper

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