

(2 ½ Hours)

[Marks : 75

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

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(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 asses 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
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