

2015

(6th Semester)

ECONOMICS

(Honours)

Paper No. : ECO-603 (b)

(**Financial Institutions and Markets**)

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT--I

1. (a) What is financial system? Discuss, in detail, its important functions. 4+10=14

Or

- (b) Discuss the recent reforms in banking sector. 14

UNIT—II

2. (a) How do commercial banks create credit?
What are its limiting factors? 10+4=14

Or

- (b) Define Non-banking Financial Institutions. Discuss their main role and functions. 2+(6-6)=14

UNIT—III

3. (a) Explain, in detail, the role of central bank in a developing economy. 14

Or

- (b) Critically examine the role and functions of monetary policy in a developing economy. 7+7=14

UNIT—IV

4. (a) Distinguish between Regulated and Unregulated credit markets. What are different types of unregulated credit market? (4+4)+6=14

Or

- (b) Define money market. What are the main characteristics of the Indian money market? 4+10=14

UNIT—V

5. (a) Explain how foreign exchange rate is determined. 14

Or

- (b) Discuss the role of hedging in the determination of exchange rates.
