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(6th Semester)

ECONOMICS

(Honours)

Paper : 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) Discuss in detail the role and functions of the financial system. 7+7=14

Or

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

UNIT—II

2. (a) What is commercial banks? Discuss the process of credit creation by the Commercial Banks. Give its limitations. 2+7+5=14

Or

- (b) Define development banks. Discuss its role and functions. 2+12=14

UNIT—III

3. (a) Define Central Bank. State the functions and role of RBI in a developing economy. 2+12=14

Or

- (b) “Monetary policy as an instrument to control and regulate credit creation in a developing economy.” Discuss. 14

UNIT—IV

4. (a) Define unregulated credit market. Write the main sources of unregulated credit markets. 2+12=14

Or

- (b) What is capital market? Describe the working of capital market. 3+11=14

(3)

UNIT—V

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

Or

- (b) Discuss the role of Hedging in the determination of exchange rates. 14

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