Dr. BabasahebAmbedkar Open University
Term End Examination July – 2019

Course	:	**PGDF**	**Date**	:	**17-Jul-19**
Subject Code	:	**PGDF-201**	**Time**	:	**11:00am to 02:00pm**
Subject Name	:	**Banking Management**	**Duration**	:	**03 Hours**
			Max. Marks	:	**70**

Section A

Answer the following (Attempt any three) **(30)**

1. Discuss advantages of Credit Card to various parties.
2. Discuss weaknesses of Indian money market.
3. Discuss various Functions of Money.
4. Explain different functions of commercial banks.
5. Explain various traditional functions of RBI.

Section B

Answer the following (Attempt any four) **(20)**

1. Mention briefly significance of capital market in the economic development.
2. Write a note on : Factoring Services.
3. Discuss briefly assistance provided by merchant banker.
4. What are the general principles of safe lending by banks?
5. Discuss briefly determinants of Money Supply.
6. What are the causes of Inflation?

Section C

Part – A (Multiple Choice Questions) **(10)**

1 As per Friedman's, wealth can be of:

A human form only B non-human form only
C both human and non-human forms D all of above

2 In terms of Keynesian, the total demand for money can be expressed as

A Md=L(yr) B Md-L(yr)
C Md+L(yr) D Md / L(yr)

3 If P is Market price of security, R is Return on securities, m is Market rate of interest and N = Original price of security, then changes in market rate of interest and security price can be expressed as:

A P + R/m x N B P – R/m - N
C P + R/m x N D P – R/m x N

4 Which is a feature about Disinflation?

A It decrease the rate of inflation B It motivates the economy by reducing taxes
C It uses fiscal or monetary incentive to expand economy D It motivates the economy by increasing money supply

5 Which is not a feature of Reflation?

A It motivates the economy by increasing money supply
B It motivates the economy by reducing taxes
C It uses fiscal or monetary incentive to expand economy
D none of above

6 The Automated Teller Machines (ATMs) is an example of

A Core Banking
B Virtual Banking
C Merchant Banking
D None of above

7 Loan is credited in customers:

A credit card
B bank account
C debit card
D term deposit

8 The credit can be created subject to:

A Total amount of cash in country
B Cash reserve ratio
C Policies of Central Bank
D all of these

9 Which is not the reason of Indian Money Markets to be considered as Volatile Market?

A Varied Interest Rates
B Adequate Funds
C Presence of unorganised money flow
D Lack of Integration

10 What are the reasons of downfall of indigenous banks?

A High rate of interest
B Use both banking and trade
C Concern more with non-banking activities
D all of above

Part – B (Do as Directed) (10)

1 What is standard of deferred payment?
2 What is cash credit?
3 What is Housing Finance?
4 Finance Brokers.
5 Define Gild-Edged Market
6 Development Financial Institutions (DFIs).
7 The Money Market Mutual Fund can be catered by_____.
8 Define Overdraft.
9 Define the term credit contraction.
10 Define medium of exchange.