TEST PAPER II

Internal Assessment

Date:- 6th Dec 23
Max marks - 20
Time - 1 hour
Room - JLR 302

Course - GE (H)
Sem - III
Paper - Money and Banking

- All the questions carry equal marks.
- Attempt any 4 questions.

(I) Explain the legal framework that allows the Reserve Bank of India to function as a Central bank. (5)

(II) What is reserve money? List the sources of changes in reserve money. (5)

(III) Explain the impact of financial sector reforms since 1991 for the following sectors: (5)
   (a) Insurance sector
   (b) Non-Bank financial companies.

(IV) Differentiate between the prime lending rate system and benchmark prime lending rate system. (5)

(V) Explain how Expectation Market Hypothesis and Segmented Market Hypothesis are different versions of the preferred habitat hypothesis. Discuss with example. (5)