Money & Banking Quiz

1. Email *

   _____

2. Name *

   _____

3. Roll number *

   _____

4. Course Name *

   _____

5. Which of the following instruments does RBI use in conducting monetary policy?   1 point

   Tick all that apply.

   ☐ Cash Reserve Ratio
   ☐ Liquidity Adjustment Facilities
   ☐ Market Stabilization Scheme
   ☐ All of the above

6. Which of these is the cause of changes in reserve money of RBI?   1 point

   Tick all that apply.

   ☐ Net foreign exchange assets of RBI
   ☐ Treasury bills holdings of RBI
   ☐ Net non-monetary liabilities of RBI
   ☐ Certificate of Deposits

7. Intermediate money target helps in reducing fluctuations in Aggregate Demand from   1 point
    changes in investment or consumption demand.

    Mark only one oval.

    ⬭ True

    ⬭ False

8. Which of the following is an operating target?   1 point

    Tick all that apply.

    ☐ Nonborrowed reserves
    ☐ Commodity Price
    ☐ Inflation rate
    ☐ Nominal GDP

9. Currency with public are a part of   1 point

    Mark only one oval.

    ⬭ Net monetary liabilities of central bank

    ⬭ Net non-monetary liabilities of central bank

10. Banks borrowings from abroad are a part of   1 point

    Mark only one oval.

    ⬭ Non monetary liabilities of central bank

    ⬭ Monetary liabilities of central bank

11. If the money demand increases, what would happen to the interest rate in an economy?   1 point

    Mark only one oval.

    ⬭ Increase

    ⬭ Decrease

    ⬭ No change

    ⬭ Uncertain

12. If the central bank engages in open market sales of government securities, the money supply in the economy   1 point

Mark only one oval.

◯ Falls

◯ Rises

◯ No change

◯ Uncertain

13. Intermediate target is always a desirable goal in and of itself.   1 point

Mark only one oval.

◯ True

◯ False

14. Which of these is not a macroeconomic goal?   1 point

Tick all that apply.

☐ Price stability

☐ Interest rate stability

☐ Economic growth

☐ None of these

15. Change in discount rate changes   1 point

Tick all that apply.

☐ The monetary base

☐ Money multiplier

☐ Both of the above

☐ None of these

16. Which of the following is not a selective credit control?   1 point

Tick all that apply.

☐ Statutory Liquidity Ratio

☐ Margin requirement on stock purchases

☐ Interest rate ceiling

☐ Discount rate

17. Jim Tinbergen said that number of instruments should be less than the number of policy   1 point
     targets

Mark only one oval.

○ True

○ False

18. Can output targets be achieved in long run?   1 point

Mark only one oval.

○ Yes

○ No

○ Depends on the shape of AD curve

19. When Fed chooses an intermediate money target, interest rate variability will be   1 point

Mark only one oval.

○ Higher

○ Lower

○ Same

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