| | To be filled in by candidate by ball-point pen only | OMR Sl. No. |
| | | |

Roll No. _____

Signature of Invigilator ....

Declaration : I have read and understood the instructions given below.

Time of Examination ....

Full Signature of Candidate ....

Full Marks : 80/50

Date of Examination ....

Name of Candidate ....

Time : 1 hour

Number of Questions in the Booklet } **50/40**

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UU 6th Semester Examination, 2020

INSTRUCTIONS TO CANDIDATES

- Immediately after getting the booklet read instructions carefully mentioned on the front and back page of the Question Booklet. Do not open the seals unless asked by the Invigilator.

- Write your Roll No., OMR Response Sheet No., in the specified places given above and put your signature.

- Write the subject code of the booklet in your OMR Sheet.

- Make all entries in the OMR Response Sheet as per the given instructions; otherwise OMR Response Sheet will not be evaluated.

- After opening the seals, ensure that the Question Booklet contains total no. of pages as mentioned above and printing of all the **50 / 40** questions are proper. If any discrepancy is found, inform the invigilator within **15** minutes and get the correct Question Booklet.

- For each question in the Question Booklet choose the correct option from the given four alternatives and darken the same circle in the OMR Response Sheet with Black or Blue ball-point pen.

- Darken the circle of correct answer properly; otherwise answers will not be evaluated. The candidate will be fully responsible for it.

- If more than one option is darken foe a particular question, then it will be treated as wrong answer.

- After completion of the examination, only OMR Response Sheet is to be handed over to the invigilator.

THERE IS NO NEGATIVE MARKING FOR WRONG ANSWER

(Answer any 40 questions)

1 When prices are falling continuously, the phenomenon is called:

(A) Inflation

(B) Stagflation

(C) Deflation

(D) Reflation

2 When too much money chases too few goods, the resulting Inflation is called:

(A) Deflation

(B) Demand-pull Inflation

(C) Cost push inflation

(D) Stagflation

3 Cause of Inflation in India is / are:

(A) Deficit financing

(B) Erratic agriculture growth

(C) Inadequate rise in industrial production

(D) All of the above

4 Which is the most effective quantitative method to control inflation in the economy?

(A) Bank rate policy

(B) Selective credit control

(C) Cash reserve ratio

(D) Both (a) and (c)

5 When price increases due to increase in factor prices it is _____.

(A) Demand pull inflation

(B) Cost pull inflation

(C) Stagflation

(D) None of the above.

6 The Phillips Curve is a graphical depiction of the

(A) Positive relationship between inflation and output.

(B) Negative relationship between inflation and the CPI.

(C) negative relationship between inflation and unemployment

(D) None of the above

7 The long-run Phillips Curve is vertical which indicates

(A) That in the long-run, there is no trade-off between inflation and unemployment.

(B) That in the long-run, there is no trade-off between inflation and the price level.

(C) That in the long-run, the economy returns to a 4 percent level of inflation.

(D) None of the above.

8 The Quantitative measure of credit regulation by RBI is

(A) A. Bank Rate Policy.

(B) Open market operations.

(C) Variable Reserve Ratio.

(D) All of the above

9   Which of the following is a quantitative credit control?

(A) Open market operation

(B) Moral suasion

(C) Rationing of credit

(D) Direct control

10 "Money is what money does" – who said?

(A) Crowther

(B) Robertson

(C) Walker

(D) Marshall

11 Direct exchange of goods against goods is called:

(A) Charter

(B) Money

(C) Barter

(D) None of these

12 Which type of deposits gives highest rate of interest?

(A) Current deposit

(B) Fixed deposit

(C) Recurring deposit

(D) None of these

13 Which of the following is not the function of the commercial bank?

(A) Issue of paper notes

(B) Acceptance of deposits

(C) Advancing loans

(D) Credit control

14 Which of the following is not near money?

(A) Paper notes

(B) Treasury bill

(C) Bond

(D) Bill of exchange

15 Which bank is called lender of last resort?

(A) Commercial bank

(B) Agricultural bank

(C) Industrial bank

(D) Central bank

16 Which bank enjoys monopoly power of Note issue?

(A) NABARD

(B) Commercial Bank

(C) Central Bank

(D) None of these

17 For which function, money is accepted as unit of account?

(A) Measure of value,

(B) Medium of exchange

(C) Standard of deferred payment

(D) Store of value

18 Which is considered as the mother of all Central Banks?

(A) Bank of England

(B) Risks Bank of Sweden

(C) Federal Reserve Bank

(D) Reserve Bank of India

19 Which property the paper money does not possess:

(A) Acceptability

(B) Divisibility

(C) Durability

(D) Portability

20 A saving account in a bank represents the function of money:

(A) A measure of value

(B) A standard for deferred payments

(C) A medium of exchange

(D) Store of value

21 It implements monetary policy of the country:

(A) Central bank

(B) Specialised bank

(C) Commercial banks

(D) Finance department

22 If money supply in a country decreases:

(A) Prices will rise

(B) Rate of interest falls

(C) Prices will fall

(D) (b) and (c) of above

23 Quantity Theory of Money explains that:

(A) Value of money depends upon quantity of money

(B) Rate of interest depends upon quantity of money

(C) Quantity of investment depends upon quantity of money

(D) Supply of money depends upon quantity of money

24 It is true to say about kinds of inflation:

(A) Demand pull and cost push inflation

(B) Demand pull and cost push industry

(C) Demand pull and income pull inflation

(D) None of the above

25 With reference to currency system of a country token money means:

(A) Token tax

(B) The money which has no purchasing power

(C) The money which has higher face value

(D) Advance payment to purchase something

26 Ten-rupee note is:

(A) Token money

(B) Credit money

(C) Legal money

(D) (a) and (c) of above

27 Purchasing power of money during deflation is:

(A) Reduced

(B) Increased

(C) Constant

(D) Fluctuating

28 Velocity of circulation of money means the number of times a unit of money

(A) Changes hands daily

(B) Changes hands monthly

(C) Changes hands annually

(D) Changes purchasing power

29 The equation of exchange PT = MV was given by:

(A) Fisher

(B) Crowther

(C) Kuznet

(D) Keynes

30 Inflation can be controlled by applying:

(A) Monetary and fiscal policies

(B) Monetary and labour policy

(C) Fiscal and commercial policies

(D) All of the above

31 During inflation:

(A) Lenders lose, borrowers gain

(B) Borrowers lose, lenders gain

(C) Borrowers and lenders both lose

(D) All sections of the society gain

32 If quantity of money double other things remaining constant, value of money will be:

(A) Half

(B) Double

(C) More than double

(D) Does not change

33 Value of money means:

(A) Gold purchased by money

(B) General purchasing power of money

(C) Importance of money

(D) Demand for money

34 Value of money and supply of money are related:

(A) Inversely

(B) Directly

(C) Govt. law

(D) Are not related

35 Which one of the following is not an instrument of credit control in the banking system?

(A) Open market operations

(B) Cash Reserve Ratio

(C) Tax rates

(D) All of the above

36 Which of the following is a measure of selective credit control

(A) Bank rate policy

(B) Statutory cash reserve ratio

(C) Open market operation

(D) None of the above

37 The Reserve Bank of India was established on

(A) April 1, 1935

(B) April 1, 1945

(C) July 12, 1980

(D) July 12, 1982

38 Which among the following is incorrect?

(A) RBI is the Bank of Issue

(B) RBI acts as Banker to the Government

(C) RBI is Banker's Bank

(D) RBI does not regulate the flow of credit

39 The main objective of monetary policy in India is_____:

(A) Growth with Stability

(B) Reduce Poverty and Achieve Stability

(C) Overall Monetary Stability

(D) None of These

40 If RBI wants to increase the credit flow it buys _____:

(A) Government Securities

(B) Shares and Debentures

(C) Other Local and Short term securities

(D) None of These

41 Banks can increase the money supply by

(A) Making loans that result in additional deposits.

(B) Printing additional currency notes.

(C) Paying interest to their depositors.

(D) Offering financial services, such as money market accounts.

42 The _____ the amount of excess reserves a bank holds the _____ the size of the deposit multiplier.

(A) Smaller; smaller

(B) greater; smaller

(C) smaller; larger

(D) greater; larger

43 The number of banks Nationalized in 1969 was

(A) 8

(B) 10

(C) 14

(D) 16

44 _____ refers to that portion of total deposits with a commercial bank has to keep with the central bank:

(A) SLR

(B) Bank Rate

(C) CRR

(D) None of the above

45 _____ is the rate at which the central bank discounts the bills of commercial banks

(A) SLR

(B) Bank Rate

(C) CRR

(D) None of the above

46 How many banks were nationalized in 1980?

(A) 6

(B) 14

(C) 20

(D) 30

47 Which among the following is considered to be the most liquid asset?

(A) Gold

(B) Money

(C) Land

(D) Treasury Bonds

48 In order to control credit, Reserve Bank of India should:

(A) Increase CRR and decrease Bank rate

(B) Decrease CRR and reduce Bank rate

(C) Increase CRR and increase Bank rate

(D) Reduce CRR and increase Bank rate

49 Credit creation power of the commercial banks gets limited by which of the following?

(A) Banking habits of the people

(B) Cash reserve ratio

(C) Credit policy of the central bank

(D) All of the above

50 which of the following is or are not the objective of monetary policy:

(A) Neutrality of money

(B) Tariff determine

(C) Economic growth

(D) All of the above