

**P.O.D.**  
**(ECONOMY)**  
**PRASAD SIR**



Total Pages: 7

Answer Booklet No.: \_\_\_\_\_

Time: 45 min.

Name: \_\_\_\_\_

Maximum Marks: 40

Roll No.: \_\_\_\_\_ Centre: Online

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### **QUESTION PAPER SPECIFIC INSTRUCTIONS**

(Please read each of the following instructions carefully before attempting questions)

*There are 4 questions printed in ENGLISH*

*All questions are compulsory*

*The number of marks carried by a question/part is indicated against it.*

*Answer must be written in the medium authorized in the Admission Certificate which must be stated clearly on the cover of this Question-cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in medium other than the authorized one.*

*Word limit in questions, if specified, be adhered to.*

*Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.*

1. How does Market rate of Interest affect investment in an economy?  
Discuss types of rate of interest.

(10 marks, 150 words)



2. What is Liquidity Adjustment Facility? How is repo rate affecting lending rate and liquidity in the economy?

(10 marks, 150 words)



3. What is monetary policy? How is it used to manage inflation in an economy?  
**(10 marks, 150 words)**

4. Write short notes on the following:

(a) Operation Twist

(5 marks, 50 words)

(b) External Benchmark Based Lending Rate

(5 marks, 50 words)