



Term Evaluation (Even) Semester Examination March 2025

Roll no.....

Name of the Course: BBA

Semester: VI

Name of the Paper: Money Banking and Finance

Paper Code: BBA601

Time: 1.5 hour

Maximum Marks: 50

Note:

- (i) Answer all the questions by choosing any one of the sub-questions
- (ii) Each question carries 10 marks.

Q1.

- a. Describe the function of money as a medium of exchange, and how does this make trade easier compared to bartering? (CO1) (10 Marks)

OR

- b. Define foreign exchange and explain the factors that influence exchange rates.

Q2.

- a. Discuss the money multiplier effect and explain how it works in an economy. Also discuss the process of money creation by commercial banks and how it affects the money supply. (CO2) (10 Marks)

OR

- b. List the key features of Inflation, Deflation and Disinflation.

Q3.

- a. Compare the impact of electronic money and traditional money on global commerce. Contrast their roles in terms of speed, accessibility, and international trade. (CO3) (10 Marks)

OR

- b. Distinguish between the money market and capital market in terms of their roles in the economy. Differentiate the instruments and risks in each.

Q4.

- a. Compute narrow money and broad money using the following information: (CO4) (10 Marks)

Currency in Circulation: Rs. 25,000 billion

Demand Deposits with Commercial Banks: Rs. 15,000 billion

Term Deposits with Commercial Bank: Rs. 20,000 billion

Savings Deposits with Post Office: Rs. 10,000 billion

Total Deposits with Post Office: Rs. 18,000 billion

Other Deposits with RBI: Rs. 8,000 billion

OR

- b. Illustrate how the Reserve Bank of India (RBI) monitors and controls money supply in India.



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Q5.

(CO5) (10 Marks)

- a. Critically evaluate the Quantity Theory of Money in detail, especially how it connects money supply with inflation.

OR

- b. Calculate Price Index using i) Simple Average of Price Relative Method and ii) Fisher's Method.

Commodity	1994		2024	
	Price (Rs.)	Quantity (in thousands)	Price (Rs.)	Quantity (in thousands)
A	20	8	40	6
B	50	10	60	5
C	20	15	20	20
D	40	20	50	25
E	60	9	70	15