



| Code | Subject Title | Cr. Hrs | Semester |
|---------|-------------------------|---------|----------|
| BBA-207 | Money and Banking | 3 | IV |
| Year | Discipline | | |
| 2 | Business Administration | | |

EVOLUTION OF MONEY, FORMS &FUNCTIONS**1. Value of Money:**

Quantity Theory of Money, Cash Balance theory of Money, Measurement of value of Money

2. Trade Cycle:

Phases, Causes, Remedies, Theory of Trade Cycle

3. Inflation:

Kinds, Causes, Remedies, Deflation, disinflation, Stagflation

4. International Monitoring Systems:

IMF, IBRD, Asian Development Bank, Islamic Development Bank

BANKING**1. Introduction:**

Definition, Evolution, Kinds of Banks

2. Commercial Bank

Principles, Function, Importance, Role of Banks

3. Bank Account

Current, PLS, Term Deposit, Foreign Currency Accounts

4. Bank Customers

Different Types of Customers, Bankers Customers Relationship

5. Letter of Credit

Kinds, Operations, Advantages

6. Central Bank

Principles, Functions, Role, Monetary Policies, Method of Note Issues, State Bank of Pakistan, Functions and Role.

7. Banking in Pakistan

Brief History, Nationalization, Privatization, ADBP, IDBP, Small Business Finance Corporation.

8. Islamic Banking

Principles Functions, Islamic Modes of Finance



UNIVERSITY OF THE PUNJAB

Fourth Semester 2015

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Money and Banking

TIME ALLOWED: 2 hrs. & 30 mins.

Course Code: BBA-207 /

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Subjective Section

Q.2 Answer the following short questions. (20)

- a) Differentiate between privatization and Nationalization?
- b) What is Banker Customer Relationship?
- c) What are causes of Inflation?
- d) Define Near Money ?
- e) What is commodity money?
- f) Define letter of credit?
- g) Define mortgage bank?
- h) Define Credit Creation?
- i) What is Intrinsic Value?
- j) Define Central Bank?

Q.3 Define Trade Cycle. Explain Phases of Trade Cycle? (10)

Q.4 Define Money. Explain Primary and Secondary Functions of Money? (10)

Q.5 Define Commercial Banks. What are its Major and Minor Functions? (10)



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester 2015

Examination: B.S. 4 Years Programme

PAPER: Money and Banking

TIME ALLOWED: 30 mins.

Course Code: BBA-207 /

MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Objective Section

Q-1 Multiple choice questions.

(10)

1. Which method is used for the formation of bank:
 - A. Royal Order
 - B. Special ordinance
 - C. Company's ordinance
 - D. All of above
2. Whose role is considered important in the beginning of cheque:
 - A. Goldsmith
 - B. Merchants
 - C. Money lenders
 - D. All of above
3. Overdraft facility is only provided on:
 - A. Current account
 - B. Fixed Account
 - C. Savings account
 - D. All of above
4. Pakistan's central bank was established in:
 - A. 1947
 - B. 1948
 - C. 1949
 - D. 1950
5. Central bank provides the following facility to scheduled banks:
 - A. Feast
 - B. Go down
 - C. Clearing House
 - D. None of these
6. The system in which goods are exchanged for goods, is called:
 - A. Gold system
 - B. Barter system
 - C. Monetary policy
 - D. none of these
7. Fiat money is:
 - A. Backed by gold
 - B. Includes currency and gold stored in bank
 - C. A type of money that has no intrinsic value.
 - D. None of these
8. Inflation is a situation in which:
 - A. Decrease in purchasing power
 - B. Decrease in price level
 - C. A given quantity of money purchases a large quantity of goods.
 - D. None of these
9. Lender of the last resort is a term used for;
 - A. Commercial banks
 - B. State bank
 - C. World bank
 - D. None of above
10. ----- is the charge for the use of money.
 - A. Bonds
 - B. Interest
 - C. Shares
 - D. All of above



UNIVERSITY OF THE PUNJAB

Roll No.

Fourth Semester - 2017

Examination: B.S. 4 Years Programme

PAPER: Money and Banking

TIME ALLOWED: 30 mins.

Course Code: BBA-207 / BUS-22354

MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Objective Section

Q-1 Multiple choice questions.

(10)

1. Which method is used for the formation of bank:
 - A. Royal Order
 - B. Special ordinance
 - C. Company's ordinance
 - D. All of above
2. Whose role is considered important in the beginning of cheque:
 - A. Goldsmith
 - B. Merchants
 - C. Money lenders
 - D. All of above
3. Overdraft facility is only provided on:
 - A. Current account
 - B. Fixed Account
 - C. Savings account
 - D. All of above
4. Pakistan's central bank was established in:
 - A. 1947
 - B. 1948
 - C. 1949
 - D. 1950
5. Central bank provides the following facility to scheduled banks:
 - A. Feast
 - B. Go down
 - C. Clearing House
 - D. None of these
6. The system in which goods are exchanged for goods, is called:
 - A. Gold system
 - B. Barter system
 - C. Monetary policy
 - D. none of these
7. Fiat money is:
 - A. Backed by gold
 - B. Includes currency and gold stored in bank
 - C. A type of money that has no intrinsic value.
 - D. None of these
8. Inflation is a situation in which:
 - A. Decrease in purchasing power
 - B. Decrease in price level
 - C. A given quantity of money purchases a large quantity of goods.
 - D. None of these
9. Lender of the last resort is a term used for;
 - A. Commercial banks
 - B. State bank
 - C. World bank
 - D. None of above
10. LETTER OF CREDIT is issued by the following institution:
 - A. Issuing Bank.
 - B. Advising Bank
 - C. Confirming Bank
 - D. Importer



UNIVERSITY OF THE PUNJAB

Fourth Semester - 2017
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Money and Banking
Course Code: BBA-207 / BUS-22354

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE SESSION:

Q # 2: Answer the following short questions. (20)

- a) Define a Bank & a Customer.
- b) List down functions of money.
- c) Define Credit Creation.
- d) Define Central Bank.
- e) What is intrinsic value?

Q # 3: What is meant by a COMMERCIAL BANK, discuss its major functions & kinds? (10)

Q # 4: Write a note on PRIVATIZATION & NATIONALIZATION of banking in Pakistan. (10)

Q # 5: What do you understand by ISLAMIC BANKING & discuss its mode of finance. (10)



UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Money and Banking

TIME ALLOWED: 15 Mints.

Course Code: BBA-207 / BUS-22354 Part – I (Compulsory)

MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

Please encircle the correct option. Each MCO carries 1 Mark. This Paper will be collected back after expiry of time limit mentioned above.

Question #: 1

(1x10=10)

1. Inflation that result in higher cost of production is called:
 - a) Demand pull inflation
 - b) Profit inflation
 - c) Cost push inflation
 - d) Deficit inflation
2. Stages in trade cycle are:
 - a) Two
 - b) Three
 - c) Four
 - d) Five
3. The secondary functions of a bank includes:
 - a) Acceptance of deposits
 - b) Provision of cash credit
 - c) Discounting of bills of exchange
 - d) None of the above
4. Banks which provide finance against fixed assets like land and building:
 - a) Exchange Bank
 - b) Investment bank
 - c) Savings bank
 - d) Mortgage bank
5. The account from where you can deposit or withdraw money at any time:
 - a) Fixed account
 - b) Saving account
 - c) Profit and loss sharing account
 - d) Current account
6. The person who cannot become customer of bank:
 - a) Married women
 - b) Minor
 - c) Person of unsound mind
 - d) Trustee
7. General relationship between banker and customer:
 - a) Bailer and Bailee
 - b) Principal and agent
 - c) Debtor and creditor
 - d) All of the above
8. Parties involved in letter of credit:
 - a) Three
 - b) Four
 - c) Five
 - d) Six
9. Bank which assists business firms and governmental bodies to raise money through the sale of stocks and bonds is:
 - a) Savings bank
 - b) Central bank
 - c) Commercial bank
 - d) Investment bank
10. Pass book is prepared by:
 - a) Customer
 - b) Bank
 - c) Government
 - d) None of the above



UNIVERSITY OF THE PUNJAB

Fourth Semester - 2018

Examination: B.S. 4 Years Programme

Roll No.

PAPER: Money and Banking

TIME ALLOWED: 2 Hrs. & 45 Mints.

Course Code: BBA-207 / BUS-22354 Part – II

MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

Question #: 2 short answers to the following terms: (20 marks)

(2x10=20)

1. Define bank.
2. Define fiat money
3. Define barter trade
4. Differentiate between deflation and stagflation.
5. Enlist the method used by SBP for issuance of currency note.
6. Define Current Account and PLS (profit and loss sharing) account.
7. What is Investment bank
8. What is intrinsic value?
9. List down functions of money
10. What is International Bank for Reconstruction and Development (IBRD)?

Question #: 3 Long Questions (10x3=30 marks)

1. Explain quantity theory of money. Discuss its assumptions and the criticism made by different economists of this theory.
2. Discuss in detail the various types of letter of credit. Also highlights the importance of letter of credit.
3. Define Islamic banking. Discuss the various financing modes of Islamic banking.



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Fourth Semester – 2019

Paper: Money and Banking

Course Code: BBA-207 / BUS-22354 Part – I (Compulsory) Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

Signature of Supdt.:

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)

INFLATION means the following:

- e) Annual increase in prices
- f) Gradual Increase in prices
- g) Quarterly increase in prices
- h) Two of the above

IBRD stands for the following term:

- e) International Bank for Reconstruction & Development
- f) Internal Bank for Reconciliation & Development
- g) International Bank for Reconciliation & Development
- h) Internal Bank for Reconstruction & Drastic

IMF provides funding to the following countries:

- e) Rich countries
- f) All poor countries
- g) All countries
- h) European Countries

SDR is the currency of IMF which is an abbreviation of the following

- e) Standard Drawing Right
- f) Special Discount Right
- g) Special Drawing Rights
- h) None of the above

The current official inflation rate of Pakistan as shown in Federal Budget is as follows:

- e) Less Than 10%
- f) Less than 15%
- g) Less than 20%
- h) More than 20%

P.T.O.

The all Banks are controlled by the following:

- e) Local management
- f) None of the given
- g) Federal Government
- h) Provincial Government

The total banks of the country are in number around

- e) 20 plus
- f) 30 plus
- g) 40 plus
- h) 50 plus

ABD stands for the following:

- e) Asian Development Bank
- f) Asian Decent Bank
- g) American Development Bank
- h) Asian Drastic Bank

The business account which is opened & run by a FIRM can be is called also:

- e) Sole Proprietorship
- f) Individual
- g) Self employed
- h) Partnership

In **SAVING ACCOUNT**, the investment remains as:

- e) Fixed
- f) Floating
- g) Demand based
- h) None of the above



UNIVERSITY OF THE PUNJAB
B.S. 4 Years Program / Fourth Semester – 2019

Roll No.

Paper: Money and Banking

Course Code: BBA-207 / BUS-22354 Part – II

Time: 2 Hrs. 45 Min. Marks: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q #2: Write short note on the following:

- c) Quantity Theory of Money & its impact on money's value.
- d) Inflation & its kinds. (10 marks)

Q #3: Write short note on the following:

- c) Islamic Development Bank & its role in economic development of member countries
- d) Cash Balance Theory of money & its impact on economy (10 marks)

Q #4: Write short note on the following:

- a) Evolution of Banks
- b) Inflation & its kinds.
- c) Asian Development Bank
- d) Cash Balance Theory of money. (20 marks)

Q # 5 Write down brief answers of the following:

- a) What is meant by Current, PLS & Term deposit account ?
- b) International Monetary System & IBRD

(10 marks)



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Fourth Semester – 2020

Paper: Money and Banking

Course Code: BBA-207 / BUS-22354 Part – I (Compulsory) Time: 15 Min. Marks: 10

Roll No. in Fig.

Roll No. in Words.

ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.

Division of marks is given in front of each question.

This Paper will be collected back after expiry of time limit mentioned above.

Signature of Supdt.:

Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)

1. Near – Money
 - a) Is as liquid as currency.
 - b) Can be used as a medium of exchange.
 - c) Serves only store of value function of money.
 - d) None of the above
2. If negotiating bank does not give any guarantee as to acceptance of draft by issuing bank and such letter of credit is backed only by the undertaking by the issuing bank is called _____ L/C.
 - a) Irrevocable L/C
 - b) Revolving L/C
 - c) Unconfirmed L/C
 - d) Deferred Payment L/C
 - e) Red Clause L/C
3. Which of the following represents the history of money up till the modern age?
 - a) Gold/silver coins→Paper Currency→Electronic Fund Transfer
 - b) Paper Currency→Gold/Silver coins→Electronic Fund Transfer
 - c) Electronic Fund Transfer→Paper Currency →Gold/silver coins
 - d) Gold/silver coins→Electronic Fund Transfer→Paper currency
4. Bank charges interest on
 - a) Deposits
 - b) Loans
 - c) Both (a) & (b)
 - d) None of the above
5. Fixed Deposit can
 - a) Not be withdrawn before maturity
 - b) paid only after maturity
 - c) withdrawn before maturity
 - d) All of the above
6. Which of the following term refers to this “the price of goods includes the cost of freight and insurance”?
 - a) C & F
 - b) C.I.F. & C.I.
 - c) F.O.B.
 - d) C.I.F.
7. Direct exchange of goods against goods is called:
 - a) Charter
 - b) Money
 - c) Barter
 - d) None of these
8. What possesses general acceptability?
 - a) Bank draft
 - b) Money
 - c) Bill of exchange
 - d) None of these
9. Banks pay interest on
 - a) Deposits
 - b) Loans
 - c) Both (a) & (b)
 - d) None of the above
10. Which type of deposits gives the highest rate of interest?
 - a) Current deposit
 - b) Fixed deposit
 - c) Recurring deposit
 - d) None of these



ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q.2. Answer the following short questions

(10x2=20)

- i. Income Inflation
- ii. Overdraft
- iii. Running finance
- iv. Consumer Finance
- v. Discount of bill
- vi. PLS Saving Accounts
- vii. promissory note
- viii. Commercial Banks
- ix. Fixed Deposit Accounts
- x. Investment Theory of Trade Cycle

Q.3. Answer the following questions

(3x10=30)

- i. Explain the functions of the central bank.
- ii. Discuss the step by step procedure of opening and functioning of letter of credit.
- iii. What are the different types of money? Explain and elaborate each of them along with its sub-types.



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Fourth Semester – Spring 2022

Roll No.

Paper: Money and Banking

Course Code: BBA-207

Time: 3 Hrs. Marks: 60

THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions. (6x5=30)

- i. Discuss the features of a saving account.
- ii. Explain Deflation.
- iii. Elaborate trade cycle
- iv. Discuss very briefly banker customer relationship.
- v. Define and explain hypothecation
- vi. List down tools of monetary policy by central bank

Q.2. Answer the following questions (2x15=30)

- i. Discuss in detail the functions of a commercial bank
- ii. Explain the kinds of banks with examples where necessary.