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2412E1578

Candidate's Seat No: _____

IIS IMBA (NEP) Sem.3 Examination
MDC-IMBA-234
Fundamentals of Money & Banking
December-2025

Time : 2.00 Hours]

[Max.Marks : 50

Instructions:

1. The figures on the right-hand side indicate marks.
2. Use of calculators is **NOT allowed/Allowed.**

Q-1 (a) Explain measures of money supply in detail. [10 MARKS]

OR

(a) Explain the characteristics of money in details. [05 MARKS]

(b) What are the functions of money, explain. [05 MARKS]

Q-2 (a) Explain the components of the Indian Financial System. [10 MARKS]

OR

(a) Write down the difference between banks and NBFC. [05 MARKS]

(b) Differentiate the Bank rate and the Repo rate. [05 MARKS]

Q-3 (a) What are the instruments of monetary policy explain in detail. [10 MARKS]

OR

(a) List out interest rate determinants and explain any one. [05 MARKS]

(b) Briefly explain the regulatory framework in India using a diagram. [05 MARKS]

P.T.O

Q-4 (a) What are the major terminologies of money market? explain any two. [10 MARKS]

OR

(a) Explain Basel Normas in detail. [10 MARKS]

Q-5 Attempt any ten out of twelve.

[10 MARKS]

1. What is the primary function of money?

- a) Store of value
- b) Unit of account
- c) Medium of exchange
- d) All of the above

2. Which of the following is NOT considered money?

- a) Coins
- b) Banknotes
- c) Credit card
- d) Deposits in an account

3. Which of the following is an example of commodity money?

- a) Gold
- b) Dollar bill
- c) Bank deposits
- d) Silver certificate

4. What is the primary role of central banks in a modern economy?

- a) To regulate inflation
- b) To issue currency
- c) To act as a lender of last resort
- d) All of the above

5. The money supply can be influenced by:

- a) The central bank's monetary policy
- b) The demand for loans by consumers
- c) Commercial bank lending
- d) All of the above

6. What is the primary function of a commercial bank?
- a) To issue government bonds
 - b) To accept deposits and provide loans
 - c) To regulate money supply
 - d) To control exchange rates
7. The RBI primarily controls:
- a) The stock market
 - b) The money supply and interest rates
 - c) Government spending
 - d) Bank profits
8. Which of the following is an example of a liability for a bank?
- a) Customer deposits
 - b) Loans to customers
 - c) Bank reserves
 - d) Physical assets
9. Which of the following is a function of the Reserve Bank of India?
- a) Setting exchange rates
 - b) Supervising and regulating banks
 - c) Issuing Treasury bonds
 - d) Collecting taxes
10. Which of the following is NOT part of the money supply?
- a) Coins
 - b) Checking account deposits
 - c) Stocks and bonds
 - d) Savings accounts
11. What is the most liquid form of money?
- a) Cash
 - b) Savings account
 - c) Bonds
 - d) Real estate
12. Which of the following is a direct effect of the RBI raising interest rates?
- a) Increased consumer borrowing
 - b) Increased bank reserves
 - c) Decreased consumer borrowing
 - d) Increased inflation

***** END OF PAPER *****