

Seat No. : \_\_\_\_\_

# MU-149

March-2019

## T.Y. M.B.A. Integrated, Sem.-VI Public Finance, Money and Banking

Time : 2:30 Hours]

[Max. Marks : 70

1. (a) Explain the evolution of money. Also discuss the methods of issue of paper currency. 7  
(b) What are the various measures of money supply ? Discuss in detail. 7
2. (a) Elaborate the primary and secondary functions of money in modern economy. 6  
(b) Critically explain Cash balance approach of quantity theory of Money. How it is similar to Cash Transaction Approach ? 8
3. Explain the functions of commercial banks. Also discuss the function of credit creation in detail. 14
4. What is the Principle of Equity ? Discuss the similarities and dissimilarities of Private finance and Public finance. 14
5. "Public Expenditure is significant in a modern economy because it produces many direct and indirect socio-economic effects." Explain the statement in the context of effects of public expenditure. 14

**OR**

What is the rationale for public borrowing ? State the reason. Also explain the methods of redemption of Public debt.

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