Reg. No.: ....

Name: ....

University of Kerala

W6996

Third Semester FYUGP Degree Examination, November 2025

Discipline Specific Core Course

ECONOMICS

UK3DSCECO204 - Money and Banking

Academic Level: 200-299

2024 Admission

Time: 2 Hours(120 Mins) **Max. Marks: 56**

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	In banking, SWIFT stands for: Options : A)Society for Worldwide Interbank Financial Telecommunication B)Society for Worldwide Investment and Fund Transfer C)Society for Western International Finance and Trade D)Secure Worldwide Interbank Fund Transaction	RE	4
2	Which was the first country to adopt bimetallism? Options : A)France B)Holland C) Switzerland D)Belgium	RE	1
3	**Money multiplier shows the relationship between:** Options : A)a) Investment and income B)b) Base money and total money supply C)c) Imports and exports D)d) Revenue and expenditure	UN	2
4	6. The full form of SARFAESI is Options : A)a) Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest	UN	1

Qn No.	Question	CL	CO
	Act B)b) Securitization and Rebuilding of Financial Assets and Enabling of Securities Interest Act C)c) Security and Reconstruction of Financial Assets and Enforcement of Social Act D)d) None of the above		
5	If the Reserve Bank of India (RBI) wants to encourage commercial banks to lend more money to the public, which of the following actions would it most likely take? Options : A)a) Increase the Cash Reserve Ratio (CRR) B)b) Sell government securities in the open market C)c) Introduce stricter norms for Non-Performing Assets (NPAs) D)d) Decrease the repo rate	UN	1
6	which of the following is true about foreign banks in India? Options : A)a) They are owned by Indian nationals. B)b) They only operate in rural areas. C)c) They are branches of foreign banks operating in India. D)d) They provide no banking service.	UN	2

Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	Write a short note on High Powered Money	UN	2
8	How does the prevention of Money Laundering Act (2002) helps to maintain financial integrity in India ?	UN	2
9	A farmer approaches a Primary Agricultural Credit Society (PACS) for a short-term loan. Which tier of the cooperative credit structure does PACS represent, and why is it suitable for him?	AP	2
10	State any two functions of the Reserve Bank of India	AP	3
11	Apply the concept of UPI payments to describe how they simplify daily transactions	AP	4

Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Give an example showing how money serves as a **medium of exchange** in daily life. OR B) Apply the concepts of digital currency and Cryptocurrency to explain two key challenges they pose to a country's traditional banking system.	AP	1, 2
13	A) Explain how payment banks can promote financial inclusion in semi-urban areas. OR B) Identify the key features of Foreign Exchange Management Act 1999 and demonstrate how it facilitates in maintaining economic stability.	AP	2, 3
14	A) Distinguish between monometallism and bimetallism. OR B) Examine the security challenges associated with digital payment systems?	AN	1, 4
15	A) Analyze the changing role of the Indian banking system in recent years. OR B) Analyze the difference between quantitative and qualitative credit control tools, giving examples of each.	AN	4, 3

Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	A) Discuss the major functions of the Reserve Bank of India (RBI). Explain its role as the central bank in maintaining financial stability in the Indian economy.	AN	2, 4

Qn No.	Question	CL	CO
	OR B) Examine how the integration of technology has transformed the structure and functioning of the Indian banking system.		
17	A) Evaluate the monetary policy effectiveness in controlling inflation in India OR B) Critically evaluate the role of commercial banks in promoting economic growth in developing economies	EV	1, 4
18	A) Evaluate the Cryptocurrency Architecture in the payment Mechanism OR B) Evaluate the importance of money in Modern economy.	EV	4, 3
19	A) Design a comprehensive set of innovative measures to revamp and strengthen the financial market in the real world. OR B) Design a step-by-step procedure to transfer money from your salary account to your family in your native place using a mobile banking app. Explain each step clearly.	CR	3, 4