

MCQ's
B.A First Year (Semester II)
Economics
Paper 104 – Money Banking & Finance

Unit I:

Unit I:

- 1) Money is what money does _____ said it. (Walker)
- 2) Money in the normal sense means _____(Currency and demand deposits)
- 3) Money is a _____ of exchange (medium)
- 4) The various function money can be classified under _____ group. (Four)
- 5) Paper money is of _____ types (Four)
- 6) The paper money which is not convertible in to standard coin called _____ (inconvertible paper money)
- 7) Money as a basis of price mechanism is most effective _____ (Capitalist economy)
- 8) Which of the following is known as actual money. (Unit of currency)
- 9) Jin Keynes has classified money as. (Actual Money and Money of Accounts)
- 10) Which of the following is not a characteristic of standard coin _____ (limited legal tender).

Unit II:

- 1) Which of following types of paper money is presently in circulation _____ (Inconvertible).
- 2) Which method of note issue has been adopted in India _____ (Minimum Reserve system)
- 3) Gresham's law states _____ (Bad money drives good money out of circulation).
- 4) The classical economists believed for use as _____ (Medium) of exchange.
- 5) Demand for money according to Keynes is dependent on _____ (Liquidity preference).
- 6) It is stipulated that bank financing to the priority sector as a percentage of total bank credit should be (40%)
- 7) Nationalism of major Commercial Bank has helped towards _____ (Better channelization of credit to priority sectors).
- 8) Which of the following institutions was steps in 1948. (IFCI)
- 9) The ICICI is a – (Private sector institution).
- 10) SIDBI comes under the category of (All Indian Development Banks).
- 11) Which of the following is not a specialised financial institution _____ (UFI)

Unit III:

- 1) A Central Bank has not the objective of _____ (Profit money)
- 2) Which of the following functions is performed by a Central Bank (Custodian of cash reserves of banks).
- 3) The Reserve Bank of India was established in the year _____ (1935).
- 4) The Reserve Bank of India does not perform the function of _____ (Accepting deposits from public on interest).
- 5) The SLR at present is at its minimum level of (25%).
- 6) In January 2007 the CRR is _____ (5.5% The open market operations aim at Sale and Purchase of Govt. securities).
- 7) If the banks receive Rs. 1,000 as primary deposits and maintain a reserve ratio of 20%. Other things remaining the same, how much loan can be given _____ (Rs. 4000)
- 8) If the banks receive Rs. 1,00 as primary deposits and maintain a reserve ratio of 20 per cent other things remaining the same, what will be the extent of credit creation _____ (Rs. 5,000).
- 9) Which of the following factors ensures creation to the maximum extent _____ (Larger size of primary deposits).
- 10) The principles governing the investment policy of a bank do not include _____ (Principle of long duration).
- 11) Types of collateral securities consist of _____ (All these stock, exchange, Bill of exchange, Goods & titles to goods).
- 12) Which of the following is a liability for a bank _____ (Deposits)
- 13) Which of the following is an asset for a bank _____ (Loans & advances)

Unit IV:

- 1) A scheduled commercial bank is one which is _____ (included in the II schedule of the RBI act 1934).
- 2) The present number of public sector banks in India is (27).
- 3) The State Bank of India is in the category of _____ (Public Sector Bank).
- 4) The average population per banking office in the country is _____ (16, 000)
- 5) The percentage of rural branches in total banking branches is _____ (47%).
- 6) Which of the following factors creates demand pull situation _____ (increase in money income)
- 7) The concept of inflationary gap was given by _____ (Keynes)
- 8) Which of the following measures will help in checking inflation _____ (Stability in exchange rates)
- 9) Inflation is beneficial to which of the following sections of economy _____ (Debtors).
- 10) The headquarter of RBI in _____ (Mumbai).

- 11) Demand deposits refer to deposits received in _____ (Current account and saving bank account).
- 12) Which type of deposit earn relatively highest rate of interest _____ (term deposit)
- 13) Which type of bank loan allows the borrower to withdraw money from time to time up to certain limit fixed by the bank _____ (Cash credit).
- 14) The user of which card become the borrower of the bank _____ (Credit card).