

**Ba/Eco-603 (B)**

**2 0 2 2**

( 6th Semester )

**ECONOMICS**

( Honours )

Paper : Eco-603 (b)

**( Financial Institutions and Markets )**

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

*The figures in the margin indicate full marks  
for the questions*

**UNIT—I**

1. (a) Discuss the functions and role of financial sector in the economic development of India. 7+7=14

*Or*

- (b) Discuss the review of the recent financial sector reform and its impact. 8+6=14

UNIT—II

2. (a) How do commercial banks create credit?  
What are its limiting factors? 10+4=14

Or

- (b) Describe the different types of development banks. Also discuss its role in a developing economy. 7+7=14

UNIT—III

3. (a) Explain the development and regulatory measures of the RBI in a developing economy. 7+7=14

Or

- (b) Discuss the different instruments of monetary regulation. 14

UNIT—IV

4. (a) Distinguish between capital market and money market. What are the main characteristics of the Indian money market? 6+8=14

Or

- (b) Define unregulated credit market. Discuss the main features of unregulated credit market in India.

4+10=14

( 3 )

UNIT—V

5. (a) Discuss the role of hedging in the determination of exchange rates. 14

Or

- (b) Distinguish between floating exchange rate and fixed exchange rate. What type of exchange rate system has been adopted in India? 6+8=14

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