



QP CODE: 23104860



23104860

Reg No :

Name :

**BFM DEGREE (CBCS) REGULAR/IMPROVEMENT/REAPPEARANCE
EXAMINATIONS, FEBRUARY 2023**

First Semester

Bachelor of Financial Markets

Complementary Course - FM1CMT01 - ECONOMICS FOR FINANCE

2020 Admission Onwards

D1FB3550

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. What do you know about the Quantity theory of money ?
2. What is Liquidity Trap?
3. According to inventory models, what are the two media for storing value?
4. If price is 108, velocity is 18 and transaction volume is 120 billion, calculate money supply.
5. What do you mean by Open market Operations?
6. Write the formula of money multiplier.
7. What is Expansionary Monetary Policy?
8. Write three differences between Public finance and Private finance.
9. What do you mean by tax-revenue?
10. What is a progressive tax? Give an example.
11. What do you mean by ability to pay with reference to taxation?
12. What is voluntary and compulsory debt?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. What are the functions of Money?
14. Briefly explain the concepts of Token coins, Representative token money, Circulating Promissory notes and Demand deposits
15. Write a note on Creeping inflation, Walking inflation, Running inflation, Galloping inflation.
16. From the data given below, calculate M2. The figures given are in crore rupees. (a) Currency with public 435656 (b) Other deposits with RBI 1234 (c) Savings Deposits with Post Office Savings Bank 647 (d) Net Time Deposits with Banking system 514834 (e) Demand deposits with banks 274254
17. Which are the direct instruments in Monetary policy? Explain briefly.
18. Enumerate the functions of Public finance.
19. What is the significance of Public Expenditure?
20. Write the differences between Tax revenue and Non-tax revenue.
21. Explain the principles of federal finance.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. What is Inflation? Explain the causes of inflation. What are the effects of inflation on our economy?
23. Explain the effectiveness of monetary policy measures in the economy.
24. What are public goods and private goods? State the differences between public goods and private goods.
25. State the differences between Monetary Policy and Fiscal Policy. Also highlight the impact of these two policies.

(2×15=30)

