

4. a) Briefly analyse the role of commercial banks in meeting the credit needs  
**OR**  
b) Explain the working system of primary and secondary securities markets
5. a) Explain the role of Central Bank in the creation of credit in India  
**OR**  
b) What are the various Risks involved in the creation of credit?
6. a) How the Exchange Rates are determined in India?  
**OR**  
b) Examine the structure and working system of World Bank

[31/II Y/211]

[Aug-11]

[APDEC-201]  
**M.A. DEGREE EXAMINATION**

**Economics**  
**II Year**

**FINANCIAL INSTITUTIONS & MARKETS**  
(Effective from the admitted batch 2009-10)

**Time: 3 Hours**

**Max.Marks: 70**

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**Instructions:** All parts of the unit must be answered in one place only.  
Figures in the right hand margin indicate marks allotted.  
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**Section-A**

1. Answer any four of the following (4x5=20)
- a) Money and Finance
  - b) Cash Flows
  - c) Derivatives
  - d) Financial Intermediaries
  - e) Investment Banking
  - f) Money creation
  - g) Credit Risk

**Section-B**

Answer all questions (5x10=50)

2. a) Briefly analyse the role of Financial Markets in the Economy  
**OR**  
b) Discuss the various Risks involved in the creation of financial assets
3. a) What are the factors that influence money markets in India?  
**OR**  
b) Discuss the structure of Financial Markets in India