

ECO - 09

**Bachelor's Degree Programme
(BDP)**

**ASSIGNMENT
2013-14**

**Elective Course in Commerce
ECO – 09: MONEY, BANKING AND FINANCIAL INSTITUTIONS**

For July 2013 and January 2014 admission cycle



**School of Management Studies
Indira Gandhi National Open University
Maidan Garhi, New Delhi -110 068**

Elective Course in Commerce
ECO – 09: Money, Banking and Financial Institutions
ASSIGNMENT- 2013-14

Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2013 and January 2014**). The validity is given below:

1. Those who are enrolled in **July 2013**, it is valid upto **June 2014**.
2. Those who are enrolled in **January 2014**, it is valid upto **December 2014**.

You have to submit the assignment of all the courses **to The Coordinator of your Study Centre**. For appearing in **June Term-end Examination**, you must submit assignment to the Coordinator of your study centre **latest by 15th March**. Similarly for appearing in **December Term-end Examination**, you must submit assignments to the Coordinator of your study centre **latest by 15th September**.

TUTOR MARKED ASSIGNMENT

Course Code	:	ECO - 09
Course Title	:	Money, Banking and Financial Institutions
Assignment Code	:	ECO – 09/TMA/2013-14
Coverage	:	All Blocks

Maximum Marks: 100

Attempt all the questions

1. (a) What is money? Discuss the nature and functions of money?

(b) What are the various measures of the money supply used in India? Which of these measures is most commonly used at present? (10+10)
2. (a) What is credit creation? Explain how banks can create credit. What are the limitations of credit creation?

(b) Explain the concept of 'unit banking' what are the merits and demerits of unit banking system? Suggest measures to overcome the demerits of unit banking systems? (10+10)
3. (a) Why is the Reserve Bank's monetary policy often characterized as the policy of controlled expansion? Also explain the system of note issue in India.

(b) Write the characteristics of Indian money market. Outline the measures to improve the functioning of Indian money market. (10+10)
4. (a) Explain clearly the main source of agricultural credit in India. How far the nationalized banks have been able to meet the credit needs of the farmers?

(b) What are the objectives of the World Bank? Discuss the functions of the World Bank. (10+10)
5. (a) Describe the structure of lending financial institutions at the state level in India.

(b) Write short notes on the following:
 - a) Role of Regional Rural Bank
 - b) Inflationary gap(10+5+5)