



# UNIVERSITY OF THE PUNJAB

**B.S. 4 Years Program / Fourth Semester – 2020**

Roll No. in Fig. ....

Roll No. in Words. ....

Paper: Money and Banking

Course Code: BBA-207 / BUS-22354 Part – I (Compulsory) Time: 15 Min. Marks: 10

**ATTEMPT THIS PAPER ON THIS QUESTION SHEET ONLY.**

**Division of marks is given in front of each question.**

**This Paper will be collected back after expiry of time limit mentioned above.**

Signature of Supdt.: .....

**Q.1. Encircle the right answer cutting and overwriting is not allowed. (10x1=10)**

1. Near – Money
  - a) Is as liquid as currency.
  - b) Can be used as a medium of exchange.
  - c) Serves only store of value function of money.
  - d) None of the above
2. If negotiating bank does not give any guarantee as to acceptance of draft by issuing bank and such letter of credit is backed only by the undertaking by the issuing bank is called \_\_\_\_\_ L/C.
  - a) Irrevocable L/C
  - b) Revolving L/C
  - c) Unconfirmed L/C
  - d) Deferred Payment L/C
  - e) Red Clause L/C
3. Which of the following represents the history of money up till the modern age?
  - a) Gold/silver coins → Paper Currency → Electronic Fund Transfer
  - b) Paper Currency → Gold/Silver coins → Electronic Fund Transfer
  - c) Electronic Fund Transfer → Paper Currency → Gold/silver coins
  - d) Gold/silver coins → Electronic Fund Transfer → Paper currency
4. Bank charges interest on
  - a) Deposits
  - b) Loans
  - c) Both (a) & (b)
  - d) None of the above
5. Fixed Deposit can
  - a) Not be withdrawn before maturity
  - b) paid only after maturity
  - c) withdrawn before maturity
  - d) All of the above
6. Which of the following term refers to this “the price of goods includes the cost of freight and insurance”?
  - a) C & F
  - b) C.I.F. & C.I.
  - c) F.O.B.
  - d) C.I.F.
7. Direct exchange of goods against goods is called:
  - a) Charter
  - b) Money
  - c) Barter
  - d) None of these
8. What possesses general acceptability?
  - a) Bank draft
  - b) Money
  - c) Bill of exchange
  - d) None of these
9. Banks pay interest on
  - a) Deposits
  - b) Loans
  - c) Both (a) & (b)
  - d) None of the above
10. Which type of deposits gives the highest rate of interest?
  - a) Current deposit
  - b) Fixed deposit
  - c) Recurring deposit
  - d) None of these



**ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED**

**Q.2. Answer the following short questions**

**(10x2=20)**

- i. Income Inflation
- ii. Overdraft
- iii. Running finance
- iv. Consumer Finance
- v. Discount of bill
- vi. PLS Saving Accounts
- vii. promissory note
- viii. Commercial Banks
- ix. Fixed Deposit Accounts
- x. Investment Theory of Trade Cycle

**Q.3. Answer the following questions**

**(3x10=30)**

- i. Explain the functions of the central bank.
- ii. Discuss the step by step procedure of opening and functioning of letter of credit.
- iii. What are the different types of money? Explain and elaborate each of them along with its sub-types.