

KARACHI UNIVERSITY BUSINESS SCHOOL
University of Karachi
FINAL EXAMINATION, DECEMBER 2010: AFFILIATED COLLEGES
MONEY AND BANKING: BA (H) – 431
BS – III

Date: December 21, 2010

Max: Marks: 30

Instructions: Attempt any Three (3) Questions

Max Time: 2.5 Hrs

Q2.

(a). Define money and capital market.

Marks (04)

(b). Briefly discuss financial instrument of capital and money market any (four) or each.

Marks (06)

Q3. Differentiate the following:

(02 Marks each)

1. Rules v/s discretion.
2. Primary v/s secondary market.
3. fixed v/s floating exchange rate.
4. promissory note v/s letters credit.
5. commercial bank v/s central bank.

Q4. How can be circulation of money measured, discuss the components of M1, M2, M3.

Q5. (a). what is credit control ? Discuss the methods of it.

Marks(08)

(b). who controls the credit in Pakistan?

Marks(02)

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXMINATION, JUNE 2010: AFFILIATED COLLEGES
MONEY AND BANKING: BA (H) – 431
BS – III**

DATE: JUNE 14, 2010
TIME ALLOWED: 3 HOURS

MAX.MARKS:60

Instructions: Attempt five questions. All questions carry equal marks.

- Q1.a. Define the term "Money" as an asset. What kind of money is a fiat money?
b. What are the qualities of good money?**
- Q2.a. What is Basle? Give your understanding of Basle I and Basle II accord.
b. Briefly outline important attributes of prudential regulations on risk management for Banks / DFIs in Pakistan.**
- Q3.a. Define monetary policy.
b. How State Bank of Pakistan plays a key role as the coordinator of monetary policy of the country?**
- Q4. What are negotiable instruments? Briefly explain each one.**
- Q5. What do you mean by interest free banking? How it is different from conventional banking system?**
- Q6. Differentiate between the following:**
- 1. Cheque book and Pass book**
 - 2. Modaraba and Musharka**
 - 3. Reserve money and Narrow money**
 - 4. Fixed exchange rate system and Floating rate system**

KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, JUNE 2009: AFFILIATED COLLEGES
MONEY AND BANKING: BA (H) - 431
BS-III

Four Years
Program

Date: June 10, 2009.
Time Allowed: 3 Hours

Max: Marks: 60

Instructions: Attempt any five questions. All questions carry equal marks:

- Q1-a** What kind of money is a fiat money? Can paper money be more valuable than the market? or intrinsic value of paper itself? (06)
- Q.1-b** Define Monetary Base (in fiat money) as the narrowest measure of "Money"? (06)
- Q.2-a** How does money facilitate the transfer of funds from saver to investor? Explain using financial intermediation and disintermediation concept? (06)
- Q.2-b** What do you understand by financial instruments? Give detail of the following:
i) Equity Instrument ii) Debt instrument iii) Asset based securities
iv) Hedging instruments (06)
- Q.3-a** Explain why the credit supply schedule slopes upward and why credit demand curve slopes downwards? And how interest rates are determined? (06)
- Q.3-b** Compare and contrast alternative theories of the term structure of interest rate? (06)
- Q.4-a** What are the three main economic transactions that people in different nations make with each other? (06)
- Q.4-b** How the equilibrium exchange rates are determined? How can a central bank influence the equilibrium exchange rate? (06)
- Q.5-a** Define the term cheques, its requisites, parties to cheques and payments of cheques? (06)
- Q.5-b** Give reasons for which the banker generally return the cheques unpaid? (06)
- Q.6** Write short notes on five of the following:
- i) Promissory notes
 - ii) Letter of Credit
 - iii) Endorsement
 - iv) Forms of lending
 - v) Interest free Banking
 - vi) Statutory and liquidity requirement in Pakistan

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June/July 08

**BS
Four Years
Program**

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI**

**FINAL EXAMINATION, JUNE-2008 : AFFILIATED COLLEGES
MONEY AND BANKING : BA (H) 431**

Dated: 07th June, 2008
Time: 3 Hours

Max: Marks: 60

Instruction: Attempt any five of the following questions. All questions carry equal marks:

- Question # 1 a) Define Money as an asset? What are some basic functions and properties of Money?
b) What backs Fiat Money?
- Question # 2 a) Explain International Monetary System?
b) How the exchange rates are determined? Distinguish between Fixed and Floating Exchange rate system?
- Question # 3 a) Define the term Financial Institutions? Distinguish between depository and non-depository Institution?
b) Define following financial Instrument:
• Treasury Bill, Purchase Agreement, Corporate Stocks and Corporate Bonds
- Question # 4 a) Define the Role of State Bank of Pakistan (Central Bank) in economy of country?
b) What are some major functions of Central Bank and its Prudential Regulations?
- Question # 5 Define Negotiable Instruments? Explain thoroughly Promissory Note, bill of exchange and Cheque?
- Question # 6 a) Define Interest Free/ Islamic Banking? How Interest Free Banking is different from Conventional Banking explain with the help of salient features of Interest free banking?
b) Define following Islamic banking Instruments:
• Musharika
• Ijarah
• Modaraba