

College Name: _____

Student Name: _____ Seat No: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION, DECEMBER 2016; AFFILIATED COLLEGES
MONEY & BANKING; BA (H)-431
BBA – III**

Date: December 19, 2016

**Max Time: 100 Mins
Max Marks: 40**

INSTRUCTIONS:

- 1. Attempt any 5 questions. Do not write anything on the question paper.**
- 2. Mobile phone(s) or any other communicating device will not be allowed in the examination room. Students will have to remove the batteries of these devices before entering the examination hall.**

- Q.1 What are the key distinctions between capital account balance and current account balance? Why must they necessarily sum to zero in the absence of central bank interventions?
- Q.2 How is central bank different from commercial bank? Give at least eight reasons.
- Q.3 What is monetary policy? Highlight different instruments of monetary policy in detail.
- Q.4 Discuss evolution of money. Also explain different forms of money.
- Q.5 Differentiate between
- i. Money market and Capital market
 - ii. Depository and non depository financial institutions
 - iii. Promissory note and bill of exchange
 - iv. Corporate bonds and corporate stocks
- Q.6 Write note on **any two** the following:
- i. Arguments for and against discretionary monetary policy.
 - ii. Fixed and floating exchange rate system
 - iii. Dishonor of cheques

END OF SUBJECTIVE PAPER