

College Name: _____

Seat No: _____ Student's Name: _____

Copy No: _____

**KARACHI UNIVERSITY BUSINESS SCHOOL
UNIVERSITY OF KARACHI
FINAL EXAMINATION DECEMBER 2017; AFFILIATED COLLEGES
MONEY & BANKING; BA(BS)-312
BBA – II**

Date: December 23, 2017

Max Time: 100 Mins

Max Marks: 45

INSTRUCTIONS:

- 1. Attempt any 4 questions. Write only relevant and brief answers.**
- 2. Do not write anything on the question paper.**
- 3. Mobile phones 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.**

Q1 a) Define Exchange Rate and how equilibrium exchange rate can be determined?
b) Discuss fixed and floating exchange rates.

Q2 Compare and contrast the monetary and fiscal Policy? How does both influence the economy functioning.

Q3 Explain what might happen in the economy if there were no financial institutions.

Q4 What is money? Explain the characteristics of money?

Q5 What is a money market? Explain the following instruments of money market.

- i) Commercial bills
- ii) Treasury bills
- iii) Certificate of Deposit.

Q6 Differentiate the following:

- i) Real and Nominal Interest Rate.
- ii) Bills of Exchange and Promissory Notes
- iii) Debit and Credit Cards

END OF SUBJECTIVE PAPER