



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)
Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC
Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment-I (August, 2025)

Class: III B.A.

Time: 2 Hours

Major: Economics

Max.Marks:60

23BECC09 – Money, Banking and International Economics

Course Outcomes:

- CO1: Acquire and understanding on the functions of money and theories of money
CO 2: Comprehend the role of commercial and central banks in the financial system
CO3: Critically review the significance of monetary policy in a developing economy
CO4: Be familiar with theories and analysis current issues and policies of international trade
CO5: Review the role played by international institutions in facilitating trade

PART-A

6 x 1 = 6

Choose the correct answer

1. Which of the following is a primary function of money? **CO1K2**
 - a) Store of wealth
 - b) Medium of exchange
 - c) Measure of satisfaction
 - d) Tool for investment
2. Which of the following is a tool of monetary policy? **CO2K2**
 - a) Taxation
 - b) Public expenditure
 - c) Open Market Operations
 - d) Import tariffs
3. Friedman's modern quantity theory of money assumes: **CO1K2**
 - a) Money has no long-run effect on prices
 - b) Velocity of money is constant
 - c) Demand for money is unstable
 - d) Money has no role in economic growth
4. A cashless economy primarily promotes: **CO2K2**
 - a) Use of barter system
 - b) Use of digital and electronic payment methods
 - c) Use of gold as medium of exchange
 - d) Physical cash transactions only
5. Gains from trade result in: **CO3K2**
 - a) Decrease in global output
 - b) Higher prices for all countries
 - c) Increased efficiency and welfare
 - d) Over-dependence on domestic industries
6. One of the intended effects of demonetization is to: **CO2K2**
 - a) Increase black money circulation
 - b) Encourage the cash economy
 - c) Curb corruption and tax evasion
 - d) Reduce the fiscal deficit

PART-B

Answer the following questions

3x6=18

(Answer should not exceed 400 words or two pages)

- 7a. Distinguish between Quantitative and Qualitative methods of credit control **CO2K3**

(Or)
- 7b. Narrate the significance of Monetary Policy **CO2K3**
- 8a. Explain the function of Money **CO1K3**

(Or)
- 8b. Differentiate between inter-regional and international trade with example **CO4K3**
- 9a. Explain the economic impact of demonetization **CO2K3**

(Or)
- 9b. Explain the function of Central Bank **CO2K3**

Part-C

Answer the following questions

3x12=36

(Answer should not exceed 800 words or four pages)

- 10a. Explain Friedman quantity theory of money **CO1K3**
(Or)
- 10b. Define a cashless economy? Discuss its benefits and challenges **CO3K3**
- 11a. Discuss the function and importance of commercial bank in economic development **CO2K3**
(Or)
- 11b. Brief detailed about the gains from trade with example **CO4K3**
- 12a. Narrate the significance of Keynesian theory of money **CO2K3**
(Or)
- 12b. Explain the H-O Theory of trade **CO4K3**

Number of copies: 50

Staff In charge: Dr.V.L.Lavanya