

**Bachelor's Degree Programme
(BDP)**

**ASSIGNMENT
2023-2024**

**Elective Course in Commerce
ECO – 09: Money, Banking and Financial Institutions**

For July 2023 and January 2024 admission cycle



**School of Management Studies
Indira Gandhi National Open University
Maidan Garhi, New Delhi -110068**



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**Elective Course in Commerce
ECO – 09: Money, Banking and Financial Institutions
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Dear Students,

As explained in the Programme Guide, you have to do one Tutor Marked Assignment in this Course.

Assignment is given 30% weightage in the final assessment. To be eligible to appear in the Term-end examination, it is compulsory for you to submit the assignment as per the schedule. Before attempting the assignments, you should carefully read the instructions given in the Programme Guide.

This assignment is valid for two admission cycles (**July 2023 and January 2024**). The validity is given below:

1. Those who are enrolled in **July 2023**, it is valid up to **June 2024**.
2. Those who are enrolled in **January 2024**, it is valid up to **December 2024**.

You have to submit the assignment of all the courses to The Coordinator of your Study Centre. For appearing in June Term-End Examination, you must submit assignment to the Coordinator of your study centre latest by **15th March**. Similarly for appearing in December Term-End Examination, you must submit assignments to the Coordinator of your study centre latest by **15th September**.

TUTOR MARKED ASSIGNMENT

COURSE CODE : **ECO-09**
COURSE TITLE : **Money, Banking and Financial Institutions**
ASSIGNMENT CODE : **ECO-09/TMA/2023-24**
COVERAGE : **ALL BLOCKS**

Maximum Marks: 100

Attempt all the questions:

1. Why is money demanded? How is the Keynesian approach different from the classical approach in this regard? (20)
2. Explain the concept of 'unit banking'. What are the merits and demerits of unit banking system? Suggest measures to overcome the demerits of unit banking system. (20)
3. What is a Central Bank? Discuss its functions. What makes a Central Bank different from Commercial Bank? (20)
4. Distinguish between the spot and forward foreign exchange markets. Why are transactions in forward foreign exchange markets done? (20)
5. **Write short notes on the following:** (4×5)
 - a) Money market
 - b) Objectives of the International Monetary Fund
 - c) The Velocity of Money
 - d) Creation of credit