



ALLAMA IQBAL OPEN UNIVERSITY
Semester Terminal Exam Autumn 2020

Program /level:	B.Com/Associate Degree in Commerce	Maximum Marks	100
Title /Course Code	Fundamentals of Money & Banking (1414)	Pass marks	50

Instructions for Exams:

1. Attempt All Questions.
2. Write answers in your own words and avoid copying from an internet source or any book.
3. Be precise, avoid unnecessary details, answer to each question must be between 600-800 words.
4. Students can attempt paper on any white page. Mention Roll No. , Name & Signature on every page. Attach undertaking with each course code.
5. Students are advised to post their answer sheets to their tutor well in time so the same must reach on or before **20-06-2021**.
6. Submissions after due date & time will not be entertained.

Q. No.	Questions	Marks
1	“The printing of more currency notes will increase inflation.” Do you agree with this statement? Present arguments in support of your answer.	33
2	Commercial banks help businesses to expand their operations and manage their cash flows. Keeping this statement in mind, briefly discuss the functions of commercial banks in Pakistan.	33
3	Comment on following concepts of banking; i. Credit Creation ii. Credit Instruments iii. Credit Analysis iv. Letter of Credit v. Credit Ranking	34