

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BA DEGREE EXAMINATION MAY 2017
(Fifth Semester)

Branch - **ECONOMICS**

MONETARY ECONOMICS

Time Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks

(10x2 = 20)

- 1 What is metallic money?
- 2 Draw a chart of flow of money.
- 3 How value of money is measured?
- 4 Write any two assumptions of Keynes theory of money.
- 5 Define - Inflation.
- 6 Specify the monetary measures to control of deflation.
- 7 Write a note on investment banking.
- 8 Give the introduction of IDBI.
- 9 What is bank rate?
- 10 Briefly explain price stabilization.

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a Describe the nature of money.
OR
b What are the main functions of money?
- 12 a Discuss the Cambridge cash balance approach to the quantity theory of money.
OR
b State the short comings of the quantity theory of money.
- .13. a Give an assessment of any one theory of inflation.
OR
b Distinguish between demand-pull and cost-push inflation.
- 14 a Explain the mixed banking system.
OR
b What do you understand by the capital market? Explain its importance.
- 15 a Explain the essential functions of a central bank.
OR
b Examine the role of non-bank financial intermediaries.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Discuss the role of money in a modern economy.
- 17 Critically examine Fisher's quantity theory of money.
- 18 Describe the causes of inflation. How its control.
- 19 Evaluate the role of commercial banks in a developing country like India.