PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MA DEGREE EXAMINATION MAY 2022
(Second Semester)

Branch – ECONOMICS

MONETARY ECONOMICS

Time: Three Hours   Maximum: 50 Marks

SECTION-A (5 Marks)
Answer ALL questions
ALL questions carry EQUAL marks   (5 x 1 = 5)

1. Money supply in India depends on
   a) Budgetary deficit
   b) Demand for bank credit
   c) Foreign exchange reserve
   d) All the above

2. According to Milton Friedman, Quantity theory is
   a) Theory of Demand for money
   b) Theory of output
   c) Theory of income
   d) None of these

3. The demand for money is
   a) Positively related to the income level and the rate of interest
   b) Negatively related to the income level and the rate of interest
   c) Negatively related to the income level and positively related to the rate of interest
   d) Positively related to the income level and negatively related to the rate of interest

4. Demand pull inflation is caused by
   a) Increase in aggregate demand
   b) Scarcity of materials
   c) Increase in rate of interest
   d) Increase in investment

5. The objectives of monetary policy will be
   a) Full employment
   b) Price stability
   c) Stability of foreign exchange rate
   d) All the three

SECTION - B (15 Marks)
Answer ALL Questions
ALL Questions Carry EQUAL Marks   (5 x 3 = 15)

6. (a) Explain the ordinary money and high powered money.
   (OR)
   (b) State the meaning of money multiplier.

7. (a) Show the main idea of keynes theory of money and price.
   (OR)
   (b) Explain the Keynesianism.

8. (a) Prepare the key conception of Tobin's portfolio balance approach.
   (OR)
   (b) Evaluate the preferred Habitat theory.

9. (a) Find the meaning of Demand pull inflation.
   (OR)
   (b) Analyse the Deflation and Stagflation.

10. (a) Produce the credit control measures.
    (OR)
    (b) Sketch the objectives of demonetization.

SECTION -C (30 Marks)
Answer ALL questions
ALL questions carry EQUAL Marks   (5 x 6 = 30)

11. (a) Elucidate money stock measures in India.

(OR)

(b) Enumerate the determinants of money supply.

12. (a) Evaluate Milton Friedman's quantity theory of money.

(OR)

(b) Analyse Gurlay & Shaw Thesis.

13. (a) Justify Baumol's inventory approach.

(OR)

(b) Appraise Risk premium theory.

14. (a) Criticize Ben Hansen's theory.

(OR)

(b) Assess Douglas clock wise analysis.

15. (a) Enumerate the functions of RBI.

(OR)

(b) Design the instruments of monetary policy.

Z-Z-Z   END