

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BA DEGREE EXAMINATION DECEMBER 2024  
(Fourth 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 The Indian rupee is known as
  - (i) Standard token money
  - (ii) Token Coin
  - (iii) Standard coin
  - (iv) Metallic coin
- 2 Who introduced the concept of money illusion?
  - (i) Fried man
  - (ii) Irving Fisher
  - (iii) Pigou
  - (iv) Keynes
- 3 Philips curve shows that
  - (i) Unemployment rates are associated with high rates of inflation
  - (ii) High employment rates are associated with low rates of inflation
  - (iii) High unemployment rates are associated with large increases in money wage rates
  - (iv) High inflation rates are associated with small increases in money wage rates
- 4 Call money market refers to
  - (i) Very short term loans
  - (ii) short term loans
  - (iii) medium term loans
  - (iv) long terms
- 5 If the Reserve Bank of India sells securities in the open market in India, its result will be
  - (i) a reduction in bank deposits
  - (ii) an immediate increase in bank rate
  - (iii) a decrease in market rates of interest
  - (iv) an increase in market rates of interest.

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a What are the functions of money?  
OR  
b Write a note on crypto currency.
- 7 a Describe Marshall's Cash balance approach.  
OR  
b Point out the determinants of money supply.
- 8 a Bring out the causes for inflation in India.  
OR  
b Explain demand pull inflation with diagram.

Cont...

- 9 a Explore the features of Indian capital market.  
OR  
b Account for non-banking financial intermediaries'.
- 10 a what are the functions of central bank.  
OR  
b State about Open market operations.

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a Critically examine causes for downfall of gold standard.  
OR  
b Enumerate the principles of note issue.
- 12 a Analyse Fishers quantity theory of money.  
OR  
b Discuss liquidity preference theory of money.
- 13 a Explain Philips curve.  
OR  
b How to control inflation?
- 14 a Enumerate the functions of commercial banks.  
OR  
b Elucidate functions and operations of credit creation.
- 15 a Discuss the role of monetary policy in Indian economy.  
OR  
b Give a brief not on functions and policies of reserve bank.

Z-Z-Z      END