MA DEGREE EXAMINATION MAY 2026

(Second Semester)

Branch – **ECONOMICS**

MONETARY THEORIES AND POLICIES

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Select - The money multiplier (m) is defined as (i) H/M (ii) M/H (iii) C/D (iv) R/D	K1	CO1
	2	Show – The Velocity of Money is inversely related to (i) Price level (ii) Income level (iii) Demand for money (iv) Supply of money	K2	CO1
2	3	Which condition strengthens the Real Balance Effect? (i) Constant money supply (ii) High taxes (iii) Rising price level (iv) Falling price level	K1	CO2
	4	Outline - Gurley and Shaw emphasized the role of (i) Financial intermediaries (ii) International trade (iii) Labor unions (iv) Government spending	K2	CO2
3	5	Recall-The Segmented Market Theory is related to (i) Term structure of interest rates (ii) Inflation (iii) Consumption (iv) Money supply	K1	CO3
	6	Infer - Preferred Habitat Theory assumes (i) Perfect substitution between maturities (ii) No substitution between maturities (iii) Partial substitution between maturities (iv) Only short-term investments	K2	CO3
4	7	Find - Demand-Pull Inflation occurs when (i) Costs of production increase (ii) Taxes decrease (iii) Supply exceeds demand (iv) Aggregate demand exceeds aggregate supply	K1	CO4
	8	Relate- Cost-Push Inflation is also known as (i) Demand inflation (ii) Supply-side inflation (iii) Wage inflation (iv) Monetary inflation	K2	CO4
5	9	Select - Parallel Economy refers to (i) Digital transactions (ii) Banking sector (iii) Black money economy (iv) Government sector	K1	CO5
	10	Infer - Financial inclusion means (i) Inclusion of foreign banks (ii) Access to financial services for all (iii) Increasing interest rates (iv) Reducing banking sector	K2	CO5

Cont...

SECTION - B (35 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Identify the Derivation of Money Multiplier.	K3	CO1
		(OR)		
	11.b.	Utilize - Velocity of Circulation of Money.		
2	12.a.	Analyze - Radcliff Committee.	K4	CO2
		(OR)		
	12.b.	Compare - Monetarism and Keynesianism.		
3	13.a.	Examine - Baumol's Inventory Approach.	K4	CO3
		(OR)		
	13.b.	Simplify - Risk Premium Theory.		
4	14.a.	Compare the Relationship between Inflation and Unemployment.	K5	CO4
		(OR)		
	14.b.	Explain the Measures to Control Inflation.		
5	15.a.	Prioritize - Monetary Policy in India.	K5	CO5
		(OR)		
	15.b.	Assess the Impact of Demonetization in India.		

SECTION -C (30 Marks)

Answer **ANY THREE** questions

ALL questions carry **EQUAL** Marks (3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Develop the Measurement of Money Supply in India.	K3	CO1
2	17	Examine - Keynes Theory of Money and Price.	K4	CO2
3	18	Inspect - Tobin's Portfolio Balance Approach.	K4	CO3
4	19	Interpret - Ben Hansen's Theory.	K5	CO4
5	20	Assess the Methods of Credit Control.	K5	CO5

Z-Z-Z END