BA DEGREE EXAMINATION DECEMBER 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   (10 x 2 = 20)

1   Define Money.
2   What is Near money?
3   Mention the assumptions of quantity theory of money.
4   What is demand for money?
5   Mention any two types of inflation.
6   Draw the Phillip's curve.
7   What are the determinants of money supply?
8   What is credit creation?
9   What is meant by "Open market operations".
10 Define "Monetary policy".

SECTION - B (25 Marks)
Answer ALL Questions

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

11 a   Explain the classification of money.

OR

   b   "Money is a good servant but a bad master" Discuss.

12 a   Write short notes on (1) Fisher's equation of exchange
                         (2) Keynes' Real balance equation.

OR

   b   Criticize the Keynes' theory of money and prices.

13 a   List out the measures to control inflation.

OR

   b   Compare the inflation with deflation.

14 a   What are the demerits of branch banking?

OR

   b   What are the merits of group banking?

15 a   Describe the importance of credit control.

OR

   b   Throw light on the modern view of monetary policy.

SECTION - C (30 Marks)
Answer any THREE Questions

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

16   Discuss the merits and demerits of the Gold standard.

17   Examine the Cambridge cash balance approach to the quantity theory of money. How far it is superior to the cash transactions approach?

18   Analyse the causes of inflation and how can it be controlled?

19   Explain the main functions of non-bank financial intermediaries. How do they create credit?

20   Elaborate the role of a Central Bank in promoting economic growth in a developing country.

Z-Z-Z   END