

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BA DEGREE EXAMINATION MAY 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 functions of money includes:
  - i) Value determination
  - ii) Store of value
  - iii) Means of exchange
  - iv) all of these.
2. Which one of the following statement is true about the money supply?
  - i)It is the total volume of money that is held by the government of a country.
  - ii)It is the total volume of money that is held by the general public of a country over a time period.
  - iii)It is the total volume of money that is held by the general public of a country at a particular point in time.
  - iv) None of these
3. Which of the following concept is the opposite of inflation?
  - i)Deflation
  - ii) Stagflation
  - iii) Recession
  - iv) None of the above.
4. NIFTY is the index of
  - i) BSE
  - ii) NSE
  - iii) OTCEI
  - iv) CSE.
5. The Reserve Bank of India was established on \_\_\_\_\_.
  - i) April 1, 1935
  - ii) July 12, 1982
  - iii) May 26, 2006
  - iv) September 30, 2005

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

6. (a) Describe the dynamic role of money.  
OR  
(b) Explain the principles of note issue.
7. (a) State the cash balance approach.  
OR  
(b) Show the determinants of money supply.
8. (a) Classify the inflation.  
OR  
(b) Summarise the measures to control inflation.
9. (a) Bring out the Constituents of money market.  
OR  
(b) Outline the concept of securities and shares.

Cont...

10. (a) Produce the instruments of credit control.  
OR  
(b) Narrate the objectives of monetary policy.

**SECTION -C (30 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

11. (a) Highlight the functions of money.  
OR  
(b) Appraise the circular flow of money.
12. (a) Analyse the Fisher's quantity theory of money.  
OR  
(b) Identify the Keynes contribution to quantity theory of money.
13. (a) Discuss the causes and effects of inflation.  
OR  
(b) Describe the Philips curve.
14. (a) Elucidate the functions of commercial banks.  
OR  
(b) Identify the institutional structure of capital market.
15. (a) Point out the role played by monetary policy in developing economy.  
OR  
(b) Trace the functions of RBI.

Z-Z-Z

END