

Reg. No

Name

M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2019
SEMESTER 3 : ECONOMICS
COURSE : 16P3ECOT15EL : MONETARY ECONOMICS
(For Regular - 2018 Admission and Supplementary - 2016/2017 Admissions)

Time : Three Hours

Max. Marks: 75

Section A
Answer any 8 (2 marks each)

1. Features of near money
2. Sources of liquidity
3. Write a note on High powered money
4. Methods of credit control
5. Discuss the statement that the supply of money is exogeneously determined
6. What do you mean by liquidity trap?
7. Discuss the square root rule in Inventory theory of demand for money
8. What do you mean by monetary transmission mechanism.
9. Factors determining shape of yield curves
10. Objectives of monetary policy
11. Why do investors prefer short term bond to long term bond according to liquidity premium theory
12. Relationship between bond prices and rate of interest?

(2 x 8 = 16)

Section B
Answer any 7 (5 marks each)

13. Explain Gurley and Shaw thesis about the liquidity of money
14. How does the growth of non-banking financial intermediaries affect the monetary policy?
15. Discuss the methods of monetary control
16. Explain the behavioral model of money supply
17. What are major propositions of Friedman's quantity theory of money?
18. Wealth theory of demand for money
19. Explain the expectations theory and how well it explains the three empirical observations of the yield curve.
20. Explain Wicksell's contribution to monetary equilibrium. Explain Wicksellian cumulative process
21. What are the objectives and targets of monetary policy? Discuss major trends in monetary policy reforms in India during the post liberalization period
22. Distinguish between CRR and SLR?

(5 x 7 = 35)

Section C**Answer any 2 (12 marks each)**

23. Define money, discuss the static and dynamic roles of money
24. Discuss the process sterilization used in an open economy for neutralising the effect of BoP in influencing money supply?
25. Discuss the Portfolio analysis of demand for money by James Tobin
26. Briefly outline monetary transmission mechanism envisaged by the classicals, Keynes and Friedman line of thoughts

(12 x 2 = 24)