

M.A DEGREE END SEMESTER EXAMINATION OCTOBER 2016**SEMESTER - 3: ECONOMICS****COURSE: P3ECOT15EL- MONETARY THEORY AND POLICY**

Common for Regular (2015 Admission) & Supplementary / Improvement (2014 Admission)

Time: Three Hours

Max. Marks: 75

PART A(Answer **any eight** of the following in three to four sentences.

Each question carries two marks)

1. Write a note on credit money and near money.
 2. Differentiate between monetary and non-monetary financial institutions.
 3. What are the measures of money supply in India?
 4. Explain Hayek's monetary theory of trade cycle.
 5. Briefly explain the cash transaction approach.
 6. What do you mean by segmented market theory of interest rate?
 7. Briefly explain monetary transmission mechanism of Keynes.
 8. What do you mean by NBFIs?
 9. List out the importance of money.
 10. What is the Expectation approach of interest rate?
 11. What are the components of Global financial crisis?
- (2 x 8 = 16)

PART B (Short Essays)(Answer **any seven** of the following, not exceeding two pages each.

Each question carries seven marks)

12. Briefly Explain Basal norms.
13. What are the objectives and indicators of monetary policy?
14. Explain the significance of liquidity trap.
15. What is high powered money?
16. List out the recommendations of Narasimham committee on banking reforms.
17. Explain the integration of classical dichotomy by Don Patinkin.
18. Briefly explain Markovitz theory of demand for money.
19. Evaluate Wicksell's contribution to monetary equilibrium criteria.
20. Explain static and dynamic functions of money.
21. Describe Tobin's approach to demand for money.
22. What are the motives behind holding money, according to Keynes?

(5 x 7 = 35)

PART C

(Write long essay on **any two** of the following. Each question carries twelve marks)

- 23.** Explain Milton Friedman's refinement of quantity theory of money.
- 24.** Explain the mechanistic and behavioral model of money supply.
- 25.** Briefly explain the monetary reforms suggested by Chakravarty Committee?
- 26.** Explain various methods of credit control by RBI. What is the role of NBFIs in Monetary Policy?

(12 x 2 = 24)
