

Reg. No

Name

20P3051

M. A. DEGREE END SEMESTER EXAMINATION - OCT/NOV 2020: JAN 2021

SEMESTER 3 : ECONOMICS

COURSE : 16P3ECOT15EL : MONETARY ECONOMICS

(For Regular - 2019 Admission and Supplementary - 2016/2017/2018 Admissions)

Time : Three Hours

Max. Marks: 75

PART A

Answer any 8 (2 marks each)

1. Unit of account.
2. Examine the various types of NBFIs in India.
3. Measures of money supply in India
4. Explain the concept of credit creation
5. Discuss the interest rate method of monetary control
6. Discuss the equation of exchange
7. Discuss classical dichotomy
8. Pigou effect
9. Rules Vs Discretion
10. Liquidity premium theory of term structure of interest
11. Wealth effect and substitution effects produced by open market operations according to monetarist's monetary transmission mechanism
12. Various targets of monetary policy

(2 x 8 = 16)

PART B

Answer any 7 (5 marks each)

13. What are the problems in a barter based economy?
14. Discuss the various types of money and explain their merits and demerits
15. Derive the money multiplier equation. Explain the meaning of the variables M, H, c, r, t, and the effect on the multiplier of an increase in r, t and c.
16. Discuss a demand determined view of money supply process
17. Give a diagrammatic presentation of Tobin's Portfolio analysis of demand for money
18. Discuss Keynes liquidity preference theory of demand for money
19. Explain the features and conditions of monetary equilibrium
20. Explain the segmented market theory and how well it explains the three empirical observations of the yield curve
21. Discuss the Keynesian monetary transmission mechanism
22. What is meant by lags in monetary policy? How do they affect monetary policy?

(5 x 7 = 35)

PART C

Answer any 2 (12 marks each)

23. Examine the liquidity theory of money highlighting various theoretical approaches to it
24. Evaluate the behavioristic approach to money supply
25. What is classical dichotomy? How does Patinkin integrate the value theory and monetary theory?
26. What are various instruments of monetary policy in India? Discuss major trends in monetary policy reforms in India during the post liberalization period

(12 x 2 = 24)