Reg. No .... Name 18P3651

M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2018

SEMESTER 3 : ECONOMICS

COURSE : 16P3ECOT15EL : MONETARY ECONOMICS

(For Regular - 2017 Admission & Supplementary - 2016 Admission)

Time : Three Hours Max. Marks: 75

Section A
Answer any 8 (2 marks each)

1. Legal tender money and optional money
2. Features of near money
3. Sources of liquidity
4. Money multiplier
5. Explain the concept of credit creation
6. Write on some of the qualitative credit control measures?
7. Discuss classical dichotomy
8. Demand function for money in inventory model
9. What do you mean by monetary transmission mechanism.
10. Segmented market approaches.
11. Rules Vs Discretion
12. Term structure of interest rates, how are they represented? **(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 relation between money supply and high powered money
16. Discuss the methods of monetary control
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. Briefly explain Cambridge economists' cash balance approach to the quantity theory of money
20. Explain the expectations theory and how well it explains the three empirical observations of the yield curve.
21. Explain Wicksell's contribution to monetary equilibrium. Explain Wicksellian cumulative process
22. What are the objectives and targets of monetary policy? Discuss major trends in monetary policy reforms in India during the post liberalization period **(5 x 7 = 35)**

Section C

Answer any 2 (12 marks each)

23. Write on the 'evolution of money'.
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 empirical facts must a theory of the term structure of interest rate explain? Discuss the three main theories of the term structure and how well each explains these facts.

(12 x 2 = 24)