

M. A DEGREE END SEMESTER EXAMINATION : NOVEMBER 2023**SEMESTER 3 : ECONOMICS****COURSE : 21P3ECO(EL3) : MONETARY ECONOMICS***(For Regular - 2022 Admission and Supplementary - 2021 Admission)*

Duration : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

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| 1. | Keynesian monetary transmission mechanism. | (U, CO 4) |
| 2. | The term structure of interest rates. | (U, CO 4) |
| 3. | Liquidity premium theory of term structure of interest. | (A, CO 4) |
| 4. | Liquidity theory of money. | (R, CO 1) |
| 5. | Token money. | (R, CO 1) |
| 6. | Role of rate of interest in Radcliffe – Sayers thesis on liquidity of money. | (R, CO 1) |
| 7. | The mechanistic approach to the money supply. | (U, CO 2) |
| 8. | SLR | (U, CO 2) |
| 9. | Classical dichotomy. | (R, CO 3) |
| 10. | Demand function for money in inventory model. | (R, CO 3) |
| | | (1 x 8 = 8) |

PART B**Answer any 6 questions****Weights: 2**

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| 11. | Briefly explain Cambridge economists' cash balance approach to the quantity theory of money. | (U, CO 3) |
| 12. | Give a diagrammatic presentation of Tobin's Portfolio analysis of demand for money. | (A, CO 3) |
| 13. | Discuss a demand-determined view of the money supply process. | (U, CO 2) |
| 14. | Discuss the various types of money and explain their merits and demerits. | (An, CO 1) |
| 15. | What are the problems in a barter based economy? | (An, CO 1) |
| 16. | What are the objectives of monetary policy? | (U, CO 4) |
| 17. | Discuss the methods of monetary control. | (R, CO 2) |
| 18. | Why do borrowers prefer long-term borrowing to short-term borrowing according to liquidity premium theory? | (An, CO 4) |
| | | (2 x 6 = 12) |

PART C**Answer any 2 questions****Weights: 5**

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| 19. | What are the objectives and targets of monetary policy? Discuss major trends in monetary policy reforms in India during the post liberalization period. | (An, CO 4) |
| 20. | Examine the post Keynesian theories of demand for money with special reference to Tobin and Baumol. | (An, CO 3) |
| 21. | What do you mean by the term structure of interest rates? Critically discuss the expectations and the segmented markets theories of term structure of interest rates. | (E, CO 4) |

22. What are the various methods of monetary control? How money supply is determined in an open economy? (An, CO 2)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Understand the concept of money and analyses the theories that relate to the existence of money.	U	4, 5, 6, 14, 15	7
CO 2	Capacitates the students to have a thorough understanding of various theoretical approaches to the determinants and measures of money supply and its role in causing business cycles.	U	7, 8, 13, 17, 22	11
CO 3	Analyze the different schools of thought regarding the demand for money.	An	9, 10, 11, 12, 20	11
CO 4	Understand interest rate differentials and various theories related to and analyze the monetary policy, its transmission mechanism and monetary policy reforms in India.	U	1, 2, 3, 16, 18, 19, 21	17

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;