

M. A. DEGREE END SEMESTER EXAMINATION - OCTOBER 2024**SEMESTER 3 : ECONOMICS****COURSE : 21P3ECOT15 ; MONETARY ECONOMICS(EL)***(For Regular 2023 Admission and Supplementary 2022/2021 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. Optional money. | (R, CO 1) |
| 3. Currency Swaps | (R, CO 3) |
| 4. Money multiplier. | (U, CO 2) |
| 5. The term structure of interest rates. | (U, CO 4) |
| 6. FCNR | (R, CO 3) |
| 7. Money supply. | (R, CO 2) |
| 8. Near money. | (R, CO 1) |
| 9. Role of rate of interest in Radcliffe – Sayers thesis on liquidity of money. | (R, CO 1) |
| 10. Liquidity premium theory of term structure of interest. | (A, CO 4) |
| | (1 x 8 = 8) |

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

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| 11. Discuss the lags in monetary policy. | (U, CO 4) |
| 12. Write a note on real balance effect. | (R, CO 3) |
| 13. Discuss the square root rule in Inventory theory of demand for money. | (U, CO 3) |
| 14. What are the problems in a barter based economy? | (An, CO 1) |
| 15. The supply of money is determined by many factors some of which are endogenous while some others are exogenous. Do you agree? | (An, CO 2) |
| 16. Derive the money multiplier equation. Explain the relation between money multiplier and high powered money. | (An, CO 2) |
| 17. "Money is what money does", explain this statement and define money. | (An, CO 1) |
| 18. What are important determinants of the structure of interest rates? | (An, CO 4) |
| | (2 x 6 = 12) |

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

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| 19. What are the major objectives and various instruments of monetary policy? | (U, CO 4) |
| 20. Comparative analysis of Hawtrey's and Hayek's business cycle theories. | (E, CO 2) |
| 21. Examine the post Keynesian theories of demand for money with special reference to Tobin and Baumol. | (An, CO 3) |
| 22. Explain the theories of term structure of interest rates. | () |
| | (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	2, 8, 9, 14, 17	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	4, 7, 15, 16, 20	11
CO 3	Analyze the different schools of thought regarding the demand for money.	An	3, 6, 12, 13, 21	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, 5, 10, 11, 18, 19	12

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