

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2004 – 2005 and thereafter)

SUBJECT CODE: EC/MC/MO34

B.A. DEGREE EXAMINATION NOVEMBER 2009
BRANCH IV – ECONOMICS
THIRD SEMESTER

COURSE : MAJOR – CORE
PAPER : MONETARY ECONOMICS
TIME : 3 HOURS

MAX.MARKS : 100

SECTION – A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS.
(10 X 3 = 30)

1. Define legal tender money.
2. What is intrinsic value of money?
3. State the meaning of Gold standard.
4. What is Greshams Law?
5. What is meant by high powered money?
6. Define minimum reserve system?
7. What is Friedman's definition to general price level?
8. What is Tobin's view on risks?
9. Define monetary policy.
10. What do you mean by outside lag in monetary policy?

SECTION – B

Answer any FIVE questions. Each answer not to exceed 300 words. **(5×6=30)**

11. Discuss the difficulties of barter system.
12. Explain the stages in the evolution of money.
13. Discuss the causes for the breakdown of gold standard.
14. Bring out the determinants of supply of money.
15. Analyse the superiority of cash balance approach over transactions approach.
16. What is Tobin's portfolio balance approach to the theory of money?
17. Discuss the objectives of monetary policy.

SECTION – C

Answer any TWO questions. Each answer not to exceed 1200 words.

(2×20=40)

18. Explain the functions of money.
19. Critically analyse Fisher's quantity theory of money.
20. Explain Friedman's restatement of quantity theory of money.
21. Discuss the causes for the financial sector reforms in India.
