STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2011-12)

SUBJECT CODE: 11EC/MC/MO34

B.A. DEGREE EXAMINATION NOVEMBER 2012
BRANCH IV – ECONOMICS
THIRD SEMESTER

COURSE   : MAJOR – CORE
PAPER   : MONETARY ECONOMICS
TIME   : 3 HOURS   **MAX.MARKS : 100**

SECTION A

I.   Answer All the Questions in 50 words each.   (10x2=20)

1.   What is double coincidence of wants?
2.   State the secondary functions of money.
3.   What is gold standard?
4.   State Gresham's law.
5.   Write Fisher's equation of exchange.
6.   Mention any two determinants of money supply.
7.   State Tobin's Portfolio Balance Approach.
8.   Write down the Friedman's restatement of the quantity theory of money.
9.   What are the instruments of Monetary Policy?
10.   What is the Bank Rate?

SECTION B

II.   Answer any FIVE Questions in 300 words each.   (5x8=40)

11.   What are the advantages of Paper Money?
12.   What are the reasons for the breakdown of the Gold Standard System?
13.   Explain the various types of Note Issue system.
14.   Explain the determinants of demand for money.
15.   Explain the Money Multiplier.
16.   Explain Baumol's Inventory Theoretic Approach to the theory of demand for money.
17.   Discuss the objectives of monetary policy.

SECTION C

III.   Answer any TWO Questions in 1200 words each.   (2x20=40)

18.   How has the system of money overcome the defects of Barter system?
19.   Explain the different types of monetary standard.
20.   Compare and contrast the Cash Transaction version with the Cambridge version of the quantity theory of money.
21.   Explain the Transmission Mechanism of monetary policy.

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