

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2019 – 2020 and thereafter)
SUBJECT CODE: 19EC/MC/MO44
B. A. DEGREE EXAMINATION, APRIL 2023
BRANCH IV - ECONOMICS
FOURTH SEMESTER

COURSE : MAJOR CORE

PAPER : MONETARY ECONOMICS

TIME : 3 HOURS

MAX. MARKS : 100

SECTION – A

ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS.

(10 X 2= 20)

1. Define money.
2. Write a note on Gold Standard.
3. What is Fiat money?
4. What is convertible paper money?
5. What is Optional money?
6. What kind of a relationship exists between general price level and value of money?
7. Explain Pigou's equation of demand for money.
8. What according to Baumol is the reason why people demand money?
9. Define money supply.
10. Distinguish between M1 and M2.
11. What is high powered money?
12. Explain Credit Multiplier.

SECTION – B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS.

(5 X 8 = 40)

13. Discuss the role of money in a Modern Economy.
14. What are the reasons for the collapse of the Gold Standard?
15. Differentiate between Standard money and token money.
16. Discuss the determinants of the demand for money.
17. How is the Cambridge Equations superior to the Fisher' quantity theory of money?
18. Explain Fisher's Quantity theory of money.
19. Explain Tobin's Portfolio Approach to demand for money.
20. Explain the determinants of money supply.

SECTION – C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS.

(2 X 20 = 40)

20. Discuss the functions of money.
21. Explain Keynesian Liquidity Preference theory.
22. Explain Milton Friedman's Quantity theory of money.
23. Discuss the process of credit creation by Commercial banks.
