

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086**  
**(For candidates admitted from the academic year 2019-2020 & thereafter)**

**SUBJECT CODE: 19EC/ME//MF45**

**B.A. DEGREE EXAMINATION – APRIL 2023**  
**BRANCH IV – ECONOMICS**  
**SIXTH SEMESTER**

**COURSE : MAJOR ELECTIVE**

**PAPER : MONETARY AND FINANCIAL ECONOMICS**

**TIME : 3 HOURS**

**MAX. MARKS: 100**

**SECTION – A**

**(10 x 2= 20)**

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

1. Define rate of interest.
2. What is real rate of interest?
3. Explain unorganised money market.
4. What is commercial paper?
5. List any two components of Indian Money Market.
6. What is efficient market hypothesis?
7. What is Markowitz Model?
8. Expand and define CAPM.
9. Define monetary policy.
10. What is cash reserve ratio?
11. What is monetary conditioning index?
12. Define inflation.

**SECTION - B**

**(5 X 8 = 40)**

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

13. List out the assumptions of neo-classical theory of rate of interest.
14. What is present value method of measuring interest rates?
15. What are the characteristics of security market line?
16. Explain the three variants of efficient market hypothesis.
17. Describe the features of Indian Money Market.
18. Explain the different slopes of a yield curve.
19. Discuss the various lags of monetary policy.
20. Explain the role of Taylor Rule in controlling inflation in the economy.

**SECTION – C**

**(2 X 20 = 40)**

**ANSWER ANY TWO QUESTIONS OUT OF FOUR QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS.**

21. Discuss in detail various instruments of money market.
22. Explain Markowitz model of selection for portfolio management.
23. Highlight various techniques of credit control by the central bank of a country.
24. Explain inflation targeting and its tools. Also describe the factors to make inflation targeting successful.

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