

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

B.A. DEGREE EXAMINATION – APRIL 2024
BRANCH IV – ECONOMICS
SIXTH SEMESTER

COURSE : MAJOR ELECTIVE
PAPER : MONETARY AND FINANCIAL ECONOMICS
SUBJECT CODE : 19EC/ME/MF45
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 natural rate of interest.
2. Write the formula for present value.
3. Differentiate between real rate and nominal rate of interest.
4. What is call money?
5. List any two features of Indian Money Market.
6. What is efficient market hypothesis?
7. Expand and define CAPM.
8. What is yield curve?
9. Define monetary policy.
10. What is reverse repo rate?
11. Define monetary conditioning index?
12. Write Taylor's rule formula.

SECTION - B **(5 X 8 = 40)**

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

13. Describe the sources of demand for loanable funds.
14. Discuss the drawbacks of Indian Money Market?
15. What are the characteristics of security market line?
16. Define efficient market hypothesis. What are its various forms?
17. Analyse different types of yield curves.
18. Explain the assumptions of CAPM.
19. Describe the various channels of monetary policy transmission.
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 measures of rate of interest.
22. Explain Markowitz model of selection for portfolio management.
23. Discuss the evolution of monetary policy in India.
24. Explain inflation targeting and its tools. Also describe the factors to make inflation targeting successful.
