

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
(For Candidates admitted during the academic year 2023 – 2024 & thereafter)

**M.A. DEGREE EXAMINATION NOVEMBER 2024**  
**BRANCH III – ECONOMICS**  
**FIRST SEMESTER**

**COURSE : CORE**  
**PAPER : MONETARY ECONOMICS**  
**SUBJECT CODE : 23EC/PC/MO14**  
**TIME : 3 HOURS**

**MAX.MARKS: 100**

<b>Q. No.</b>	<b>SECTION A</b> <b>PART – A</b> (2 X 5 = 10) <b>Answer any TWO out of THREE questions in about 150 words each</b>	<b>CO</b>	<b>KL</b>
1	What is liquidity preference theory? State the factors that determine liquidity preference for money.	1	K1
2	State the relationship between monetary base, money stock and exchange rate	1	K1
3	Examine the objectives of the monetary policy.	1	K1
<b>Q. No.</b>	<b>PART – B</b> (2 X 5 = 10) <b>Answer any TWO out of THREE questions in about 150 words each</b>	<b>CO</b>	<b>KL</b>
4	Explain the role of money in the classical approach.	2	K2
5	Examine the Behavioural theory of Money Supply	2	K2
6	Distinguish between banking and non-banking institutions.	2	K2
<b>Q. No.</b>	<b>SECTION B</b> <b>PART – A</b> (2 X 8 = 16) <b>Answer any TWO out of THREE questions in about 400 words each</b>	<b>CO</b>	<b>KL</b>
7	How does the household allocation of wealth effect the exchange rate?	3	K3
8	Derive the money multiplier.	3	K3
9	Bring out the effectiveness of the monetary policy on interest rate according to the Gurley and Shaw Thesis.	3	K3
<b>Q. No.</b>	<b>PART – B</b> (2 X 8 = 16) <b>Answer any TWO out of THREE questions in about 400 words each</b>	<b>CO</b>	<b>KL</b>
10	Derive the general form of money supply function.	4	K4
11	How is the autonomy of the central bank measured?	4	K4
12	Briefly explain expected utility hypothesis.	4	K4
	<b>SECTION C</b> <b>PART – A</b> (2 X 12 = 24) <b>Answer any TWO out of FOUR questions in about 700 words each</b>	<b>CO</b>	<b>KL</b>
13	Critically evaluate Tobin’s demand for money. How is it different from Keynes demand for money theory?	5	K5
14	Analysis the impact of the Financial reforms on the Indian money market.	5	K5

15	Evaluate the impact of the Foreign Exchange Interventions of the central bank and its impact on money stock	5	K5
16	Examine the monetary approach to Balance of Payment determination.	5	K5
	<b>PART – B (2 X 12 = 24)</b> <b>Answer any TWO out of FOUR questions in about 700 words each</b>	<b>CO</b>	<b>KL</b>
17	“The change in the quantity of money supply and demand in foreign country affects the spot exchange rate”. Justify this statement applying the Monetary Approach to BOP.	5	K6
18	Evaluate the impact of the Monetary Transmission Mechanism on the aggregate demand.	5	K6
19	“Money does matter” – Discuss the Restatement of the quantity theory of money	5	K6
20	Analyse the monetary policy in India since 1990	5	K6

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