

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086
(For candidates admitted from the academic year 2023 – 2024 & thereafter)

B. A. DEGREE EXAMINATION, APRIL 2026
BRANCH IV - ECONOMICS
FOURTH SEMESTER

COURSE : MAJOR CORE
PAPER : MONETARY ECONOMICS
COURSE CODE : 23EC/MC/MO44
TIME : 3 HOURS

MAX. MARKS: 100

Q. No.	SECTION A Part A (10x2=20) Answer all questions in 50 words each	CO	KL
1.	Define money.	1	K1
2.	What is a monetary standard?	1	K1
3.	List out any three determinants of money supply	1	K1
4.	State Fisher's equation of exchange.	1	K1
5.	List out the stages in the evolution of money.	1	K1
6.	What is credit creation?	1	K1
7.	Define monetary policy.	1	K1
8.	State any three merits of the paper standard	1	K1
9.	What is velocity of circulation of money?	1	K1
10.	Identify the principles of note issue.	1	K1
	SECTION-A Part B (10x2=20) Answer any 10 out of 12 questions in 50 words each	CO	KL
11	Distinguish between ordinary money and high-powered money.	2	K2
12	Differentiate between inside money and outside money	2	K2
13	Bring out the relationship between value of money and the price level	2	K2
14	What is Gresham's law?	2	K2
15.	Classify the methods of note issue.	2	K2
16	Cite any three determinants of demand for money.		
17.	Diagrammatically represent and define liquidity trap.	2	K2
18	What is neutrality of money?	2	K2
19	Discuss any two features of mono-metallism.	2	K2
20	Give the meaning of human wealth as explained by Friedman	2	K2

21	Distinguish between cash reserve ratio and statutory liquidity ratio.	2	K2
22	Distinguish between a risk averter and a risk lover.	2	K2
Q. No.	SECTION B Part A (4x5=20) Answer any 4 out of 6 questions in 250 words each	CO	KL
23	Illustrate how banks create credit with the help of an example.	3	K3
24	Examine the role of money in developing countries.	3	K3
25	Write a note on the different monetary aggregates as measured by the RBI	3	K3
26	Give an overview of Baumol's inventory theoretic approach	3	K3
27	Demonstrate the main objectives of monetary policy in India	3	K3
28	Discuss the automatic working of the gold standard.	3	K3
	SECTION B Part B (4x5=20) Answer any 4 out of 6 questions in 250 words each	CO	KL
29	Analyse Keynes liquidity preference theory	4	K4
30	Explain Friedman's restatement of the quantity theory of money	4	K4
31	Articulate the various instruments of credit control	4	K4
32	Point out the reasons for the superiority of the cash balance approach over the transactions approach	4	K4
33	Give an overview of monetary policy in India	4	K4
34	Point out why the paper standard is superior to the metallic standard	4	K4
Q. No.	SECTION C (2x10=20) Answer any 2 out of 4 questions in 600 words	CO	KL
35	Summarise the working of the different channels of the monetary transmission mechanism.	5	K5
36	Critically evaluate Tobin's portfolio balance approach.	5	K5
37	Discuss the different functions of money.	5	K5
38	Assess the reasons for the failure of the gold standard	5	K5
