

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2008 – 2009 & thereafter)

SUBJECT CODE: EC/MC/MO34

B.A. DEGREE EXAMINATION NOVEMBER 2011
BRANCH IV – ECONOMICS
THIRD SEMESTER

COURSE : MAJOR – CORE
PAPER : MONETARY ECONOMICS
TIME : 3 HOURS

MAX.MARKS : 100

SECTION A

I. Answer All the Questions in 50 words each. (10x3=30 Marks)

1. What are the stages in the evolution of money?
2. What is near money?
3. What is Gold standard?
4. Explain the concept Gresham's Law.
5. What is money supply?
6. Explain the concept real balance effect.
7. What is liquidity trap?
8. What is classical dichotomy?
9. What are the attributes of a good monetary standard?
10. Define monetary policy.

SECTION B

II. Answer any FIVE Questions in 300 words each. (5x6=30 Marks)

11. Explain the circular flow of money.
12. Bringout the merits and demerits of bimetallism
13. Explain Pigou's equation of cash balance approach with diagrams.
14. Give an account of the monetary aggregates in India.
15. State and explain different views regarding the concept of money supply.
16. Explain briefly how monetary policy can be used to achieve full employment with diagramme.
17. Examine the Baumol's inventory approaches of demand for money.

SECTION C

III. Answer any TWO Questions in 1200 words each. (2x20=40 Marks)

18. Discuss the significance of money.
19. How far is the Keynesian theory of money and prices an improvement over the traditional version of the quantity theory?
20. Critically examine the motives for demand for money.
21. Examine the different objectives of monetary policy.
