

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2011-12 & thereafter)**

**SUBJECT CODE: 11EC/MC/MO34**

**B.A. DEGREE EXAMINATION NOVEMBER 2015**  
**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. (10x2=20)**

1. What is Money?
2. Explain the value of Money.
3. What is Mono-metallism?
4. Explain Gresham's Law.
5. What is High powered money?
6. Write Marshall's equation of exchange.
7. What is Inventory approach?
8. State different forms of wealth.
9. What is Open Market Operations?
10. Define Required Reserves (RRr).

**SECTION B**

**II. Answer any FIVE Questions in 300 words each. (5x8=40)**

11. Explain the difficulties of barter system.
12. Discuss the Evolution of Money.
13. Briefly explain the determinants of money supply.
14. Discuss the merits and demerits of the Gold standard.
15. Discuss the Tobin's Portfolio selection model of liquidity preference.
16. Discuss the Cambridge cash balance approach to the Quantity theory of Money.
17. Explain how the bank rate policy is operated by the Reserve Bank of India.

SECTION C

**III. Answer any TWO Questions in 1200 words each.**

**(2x20=40)**

18. Briefly discuss the different functions of money.
19. Explain the method of new note issue in India.
20. Critically examine Milton Friedman's restatement Quantity Theory of Money.
21. Explain critically Monetary policy in India.

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