

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 2010
BRANCH IV – ECONOMICS
THIRD SEMESTER

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

MAX.MARKS : 100

SECTION A (10X3=30)

(Answer all Questions. Each Question carries 3 Marks)

(Each answer should not exceed 50 words)

1. Define money and near money.
2. Distinguish between commodity money and metallic money.
3. State Gresham's Law.
4. What are the features of paper standard?
5. Define money supply. What is high powered money?
6. Write a brief note on Cash Balance Approach to the demand for money.
7. Distinguish risk averters and risk lovers.
8. What are the forms in which wealth can be held according to Friedman?
9. What are the objectives of monetary policy?
10. Write a note on the targets and indicators of monetary policy.

SECTION –B (5X6 =30 Marks)

(Answer any five questions. Each question carries 6 Marks)

(Each answer should not exceed 300 words)

11. How is money classified? Discuss.
12. Explain the different types of paper money giving their merits and demerits.
13. Give the essential features of monometallism and bimetallism.
14. What are the determinants of money supply?
15. Compare cash transaction and cash balance approach to the quantity theory of money.
16. Analyse Baumol's Inventory theoretic approach to demand for money.
17. Discuss the main objectives of monetary policy.

SECTION – C (2X20=40)

(Answer any two questions. Each question carries 20 marks)

(Each answer should not exceed 1200 words)

18. Define money. Discuss the functions of money.
19. Critically examine the cash transactions approach to the quantity theory of money.
20. Examine Milton Friedman's restatement of the quantity theory of money.
21. Examine the monetary policy of the RBI with special reference to financial sector reforms.
