

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2015 – 2016 and thereafter)**

**SUBJECT CODE: 15EC/PC/MO14**

**M.A. DEGREE EXAMINATION NOVEMBER 2017**  
**BRANCH III – ECONOMICS**  
**FIRST SEMESTER**

**COURSE : CORE**  
**PAPER : MONETARY ECONOMICS**  
**TIME : 3 HOURS**

**MAX.MARKS: 100**

**SECTION – A**

**I. Answer any FIVE Questions. Each answer should not exceed 300 words.**

**(5 X 8 = 40)**

1. Compare and contrast Keynes and Tobin's theory of speculative demand for money.
2. Write a brief note on behavioral theory of money supply.
3. State and explain the relationship between monetary base and money stock
4. State and explain the types of foreign exchange intervention
5. Write a brief note on Liquidity Adjustment Facility and explain its impact on the business cycle and National Income.
6. Explain the role of Monetary Policy in India in a developing economy. What are its limitations?
7. Write a brief note on term structure of interest rate.

**SECTION – B**

**II. Answer Any THREE questions. Each answer should not exceed 1200 words.**

**(3X20 = 60)**

8. Evaluate critically the quantity theory of money as restated by Milton Friedman.
9. Does the central bank have tight control over the money supply? What are the factors that weaken the link between the central bank policies and change in the money supply?
10. Describe the monetary approach to BOP and exchange rate determination.
11. Discuss the main recommendations of a Narasimhan committee relating to the Indian Banking system.
12. Discuss the controversy over Rules Vs Discretion and its impact on central bank autonomy.

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