

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2015-16 and thereafter)**

**SUBJECT CODE: 15EC/MC/MO34**

**B.A. DEGREE EXAMINATION NOVEMBER 2018**  
**BRANCH IV – ECONOMICS**  
**THIRD SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : MONETARY ECONOMICS \_ I**  
**TIME : 3 HOURS**

**MAX.MARKS: 100**

**SECTION A**

**I. Answer any TEN questions in 50 words each. (10x2=20)**

1. Define money.
2. What is commodity money?
3. Explain credit money.
4. Give two advantages of paper money.
5. What is money multiplier?
6. State Gresham's Law.
7. What is mono-metallism?
8. Explain monetary base.
9. Explain the relationship between value of money and general price level.
10. State Pigou's equation of the quantity theory of money.
11. What are the motives behind demand for liquidity preference?
12. Explain Gold Standard.

**SECTION B**

**II. Answer any FIVE questions in 400 words each. (5x8=40)**

13. What are the defects of the Barter system and how did it lead to the evolution of money?
14. What is the role played by money in a developing economy?
15. Write a note on money stock in India.
16. Discuss the determinants of supply of money.
17. How is inequality between saving and investment corrected according to Keynes?
18. Explain the Note issue system currently adopted in India.
19. Discuss Tobin's Portfolio Balance Approach of demand for money.
20. Briefly discuss the different types of gold standards.

**SECTION C**

**III. Answer any TWO Questions in 1000 words each. (2x20=40)**

21. Discuss the functions of money.
22. Explain Liquidity preference theory given by Keynes.
23. Critically evaluate the transactions approach to the quantity theory of money.
24. Discuss the contribution made by Friedman to the theory of money.

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