



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A.DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – APRIL 2018

16PEC3MC01 / EC3808- MONETARY ECONOMICS

Date: 24-04-2018
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART-A

Answer any FIVE questions in about 75 words each. (5x 4 = 20 Marks)

1. State any two similarities between the theories of “money on wings” and “money sitting”.
2. Differentiate between quasi money and money.
3. Write a brief note on Payment Banks.
4. What is meant by Money illusion?
5. Differentiate between Bank rate and MSF rate.
6. Write a brief note on Classical Dichotomy.
7. State the determinants of money supply.

PART-B

Answer any FOUR questions in about 300 words each. (4x 10 = 40 Marks)

8. Bring out the non-neutrality of money according to Lloyd Metzler
9. Briefly explain in detail the integration of monetary and value theory
10. Explain how Friedman has rehabilitated the quantity theory of money.
11. Briefly explain Don Patinkin real balance effect.
12. Explain the variables determining Central Bank autonomy
13. Explain the impact of LAF instruments on the economy.
14. Examine the neo-classical theory of interest.

PART-C

Answer any TWO questions in about 1200 words each. (2x 20 = 40 Marks)

15. What is the difference between Keynes and Tobin’s demand function for speculative demand for money? Is Tobin’s theory a replacement or an extension of the Keynesian theory of speculative demand for money? Explain
16. Explain the determinants of money supply and high powered money.
17. Explain the Cambridge equation of quantity theory of money. Why did the Cambridge economists consider their approach to be superior to Fisher’s?
18. Define monetary policy and state its various objectives. What should be the main objectives of monetary policy in India today?

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