



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION - ECONOMICS

THIRD SEMESTER – NOVEMBER 2011

EC 3808 - MONETARY ECONOMICS

Date : 31-10-2011
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE in about 75 words each

4x5=20

1. What is meant by near money?
2. Write a short note on Real balance Effect.
3. State the important findings of Radcliffe Report.
4. Distinguish between Inflation and Reflation.
5. What is meant by neutrality of money?
6. Highlight the concept of inside and outside money.
7. What is meant by Money Illusion?

PART – B

Answer any FOUR in about 250 words each

4x10=40

8. “The demand for money is a demand for cash balances”. Discuss
9. Discuss the relative merits of exchange stability and price stability as objectives of monetary policy.
10. What are the causes of inflation? How can it be controlled?
11. State and explain the problem of lags in monetary policy.
12. Explain how money is non-neutral.
13. State and explain the determinants of money supply.
14. Distinguish between demand pull and cost push inflation. How have these two views on inflation being reconciled.

PART – C

Answer any TWO in about 900 words each

2x20=40

15. Write a detailed note on Baumol’s and Tobin’s contribution to the theory of demand for money.
16. Discuss the principal instruments of monetary policy. What are their limitations?
17. Fisher’s quantity theory postulates direct and proportional relation between money and prices. Explain.
18. Discuss Keynes Integration of monetary and value theory.
