

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



M.A. DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – NOVEMBER 2018

EC 3808 – MONETARY ECONOMICS

Date: 23-10-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART-A

Answer any FIVE questions in about 75 words each.

(5x 4 = 20 Marks)

1. State the functions of money.
2. Write a brief note on Payment Banks.
3. What is meant by money illusion?
4. Differentiate between Bank rate and MSF rate.
5. Write a brief note on Classical Dichotomy.
6. Define Real Balance effect
7. Write a brief note on Demonetization.

PART-B

Answer any FOUR questions in about 300 words each.

(4x 10 = 40 Marks)

8. Explain the empirical definition of money.
9. Bring out the non-neutrality of money according to Lloyd Metzler.
10. Briefly explain in detail the integration of monetary and value theory.
11. Explain how Friedman has rehabilitated the quantity theory of money.
12. Explain the impact of Liquidity Adjustment Facility instruments on the economy.
13. Examine the neo-classical theory of interest.
14. Write a brief note on banking sector in the post liberalized era

PART-C

Answer any TWO questions in about 1200 words each.

(2x 20 = 40 Marks)

15. Critically examine the Keynesian theory of demand for money.
16. Explain the theories of money supply
17. Explain the Cambridge equation of quantity theory of money. Why did the Cambridge economists consider their approach to be superior to Fisher's approach?
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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