

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



M.A. DEGREE EXAMINATION – ECONOMICS

THIRD SEMESTER – NOVEMBER 2019

16/17/18PEC3MC01 – MONETARY ECONOMICS

Date: 29-10-2019

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. Differentiate between quasi money and money.
2. Write a brief note on Payment Banks.
3. What is meant by Ponzi scheme?
4. Differentiate between Bank rate and MSF rate.
5. Write a brief note on real balances of money.
6. What is meant by price dichotomy?
7. Mention the macro determinants of demand for money.

PART-B

Answer any FOUR questions in about 300 words each.

(4x 10 = 40 Marks)

8. Explain the theoretical definition of money.
9. Briefly explain the different forms of money elucidated by Chicago school.
10. Bring out the non-neutrality of money according to Lloyd Metzler.
11. Briefly explain Don Patinkin real balance effect.
12. State and explain the variables determining Central Bank autonomy.
13. Explain the impact of LAF instruments on the economy.
14. “NBFC’S-are said to reduce the effectiveness of monetary policy” Examine.

PART-C

Answer any TWO questions in about 1200 words each.

(2x 20 = 40 Marks)

15. Explain Baumol’s theory of transaction demand for money. Does it really show that the transaction demand for money is interest elastic?
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. Suggest relevant objectives of monetary policy in the current Indian scenario.
