



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**M.A. DEGREE EXAMINATION – ECONOMICS**

**THIRD SEMESTER – APRIL 2014**

**EC 3808 - MONETARY ECONOMICS**

Date : 03/04/2014  
Time : 01:00-04:00

Dept. No.

Max. : 100 Marks

**Part – A**

Answer any 5 questions in about 75 words each:

(5 x 4 = 20 Marks)

1. What are the functions of money?
2. Give an account of the role money in a 'Capitalistic Economy'.
3. Define money on 'real term' and monetary term'.
4. Mention the three motives of demand for money according to Keynes.
5. Explain the term 'Liquidity Trap'.
6. What is transmission mechanism?
7. State the important role played by chit funds and Nidhi's as a non banking financial institutions.

**Part – B**

Answer any 4 questions in about 250 words each.

(4 x 10 = 40 Marks)

8. Distinguish between Neutrality and Non-Neutrality of money.
9. Bring out the demand and supply theory of money.
10. Analyze out the traditional and modern concept of money and mention the importance of Liquidity theory.
11. Discuss the quantity theory of money both cash transaction and cash balance versions.
12. Mention how Friedman's theory of money is superior to the other quantity theory.
13. Explain savings and investment theory of money of J.M Keynes.
14. Elucidate the importance of Classical and Neo-classical dichotomy.

**Part – C**

Answer any two questions in about 900 words each.

(2 x 20 = 40 Marks)

15. Discuss in detail the of integration of monetary and value theory.
16. What are the objectives of monetary policy? Bring out the techniques and constraints of transmission mechanism.
17. Discuss the importance of Baumol and Tobin's asset demand for money.
18. Define the concept of liquidity and mention the importance of Newlyn, Radcliffe, Monetary theories and Gurley and Shaw thesis.

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