



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

**M.A. DEGREE EXAMINATION - ECONOMICS**

**THIRD SEMESTER – NOVEMBER 2013**

**EC 3808 - MONETARY ECONOMICS**

Date : 05/11/2013  
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

**PART – A**

**Answer any FIVE questions in about 75 words each. 5 x 4 = 20 marks**

1. What is meant by Money Illusion?
2. How do Neo-Keynesians interpret transmission mechanism?
3. Briefly explain the different types of lags in monetary policy.
4. Highlight the concept of inside and outside money.
5. State the important findings of Radcliffe Report.
6. What is Liquidity Trap?
7. Explain the transactions demand for money.

**PART – B**

**Answer any FOUR questions in about 300 words each. 4 x 10 = 40 marks**

8. Explain how money is non-neutral.
9. Outline the various determinants of money supply.
10. Explain Gurley and Shaw's views on liquidity.
11. Describe briefly Friedman's restatement theory of money.
12. Compare transmission mechanism of the Keynesian with the classical economists.
13. What are the obstacles for an effective implementation of monetary policy in India?
14. Write a note on Patinkin's real balance effect.

**PART - C**

**Answer any TWO questions in about 900 words. 2 x 20 = 40 marks**

15. Critically analyze the different interpretations of transmission mechanism of monetary policy.
16. Bring out the essential features of money analysis of Gurley and Shaw. How is it an improvement over Keynesians liquidity preference theory?
17. Write a detailed note on Baumol's and Tobin's contribution to the theory of demand for money.
18. Give a detailed note on conditions for the neutrality of money in the classical and in the Keynesians system.

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