# BA DEGREE (CBCS) EXAMINATION, NOVEMBER 2018 

## Third Semester

## B.A Corporate Economics Model III

CORE COURSE - EC3CRT06 - MONETARY ECONOMICS - I

2017 Admission Onwards<br>BC04BC46

Maximum Marks: 80
Time: 3 Hours

## Part A

Answer any ten questions.
Each question carries 2 marks.

1. What do you mean by dynamic functions of money?
2. What is the role of money in a centrally planned economy ?
3. Mention the major advantages of paper currency.
4. Define decimalisation of Indian currency.
5. Who determines value of money?
6. What is the contribution of Alfred Marshall to quantity theory?
7. Define liquidity trap.
8. What is the formula of bank multiplier in the mechanistic model?
9. What is the relationship between money supply and price level?
10. What are the types of inflation on the basis of speed?
11. What is the meaning of cost push type of inflation?
12. Distinguish between stagflation and stagnation.
$(10 \times 2=20)$

## Part B

Answer any six questions.
Each question carries 5 marks.
13. Distinguish between full bodied and representative full bodied money.
14. Explain Gresham's law.
15. What are the different systems of note issue?
16. Why do we assume the constancy of $V$ and $T$ in the Fisherian equation of exchange?
17. Briefly explain Fisher's equation of exchange.
18. Explain the constituents of money supply?
19. Analyse the major factors influencing money supply.
20. Explain the causes of inflation.
21. Examine the effects of inflations on the working class.

## Part C

Answer any two questions.
Each question carries 15 marks.
22. What is the significance of money in India?
23. Examine the salient features of different economic systems.
24. Explain the evoluton of Indian currency system.
25. How do we attain equilibrium according to the behavioural model?

