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(Pages : 2)

Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2018

Fourth Semester

B.A. Corporate Economics

Core Course—MONETARY ECONOMICS—II

Time : Three Hours

Maximum Marks : 80

Part A (Definition Type Questions)

Answer all the questions in one sentence each.

Each question carries 1 mark.

Define the following :-

1. Say's Law.
2. Precautionary Motive.
3. Liquidity.
4. Risk.
5. Reverse Repo.
6. Moral Suasion.
7. SLR.
8. Inflation.
9. Velocity of Money.
10. Monetary Policy.

(10 × 1 = 10)

Part B

Answer any eight of the following questions in a paragraph each.

(Not exceeding 100 words)

Each question carries 2 marks.

11. Write a note on Cambridge Equation.
12. Is Money a veil ?
13. Quantitative credit control.
14. What is Credit Creation ?
15. What are the functions of Central Bank ?

Turn over

16. What is Narrow Money ?
17. What do you mean by Monetary Base ?
18. What is Wealth Effect ?
19. What is Liquidity Trap ?
20. What is Open Market Operations ?
21. What do you mean by inflation ?
22. What is Reserve Ratio ?

(8 × 2 = 16)

Part C (Short Essays)

Answer any six of the following questions in one and a half pages each.

(Not exceeding 150 words).

Each question carries 4 marks.

23. Is Quantity Theory of Money a theory of demand for money ?
24. What is the policy implication of Liquidity Trap ?
25. Explain Baumol's Theory of demand for money.
26. Discuss Pigou Effect.
27. Write a note on Rational Expectations.
28. Write a note on Commodity Theory of Money.
29. Explain Portfolio Theory of Demand for money.
30. Can monetary policy effectively control credit created by NBFCs ?
31. Distinguish between Quantitative and Qualitative credit control instruments.

(6 × 4 = 24)

Part D (Long Essays)

Answer any two of the following questions .

(Not exceeding four pages each)

Each question carries 15 marks.

32. Critically evaluate Liquidity Preference Theory.
33. Elucidate Real Balance Effect.
34. Compare Radcliffe-Sayer's and Gurley-Shaw versions of liquidity theory.
35. Explain the objectives and instruments of Monetary Policy

(2 × 15 = 30)