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**Reg. No. :** .....

**Code No. : 22449 E      Sub. Code : SMEC 53**

B.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2020.

Fifth Semester

Economics – Main

MONEY AND BANKING – I

For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The various stages passed by money's called as
  - (a) Evolution                      (b) Evaluation
  - (c) Exchange                      (d) Revolution

2. The restatement of quantity theory of money is advocated by
- (a) Irving fisher                      (b) J.M. Keynes  
(c) Don-Patinkin                      (d) J.S. Mill
3. Which one is also called as inflationary recession?
- (a) Hyperinflation                      (b) Stagflation  
(c) Inflation gap                      (d) Stagnation
4. A sound monetary system possesses
- (a) simplicity                      (b) elasticity  
(c) stability                      (d) all the above
5. Monometalism has ————— as money material.
- (a) gold                      (b) silver  
(c) gold or silver                      (d) gold and silver
6. Objectives of credit control is —————.
- (a) economic growth with stability  
(b) reduce unemployment  
(c) increase exchange rate  
(d) increase the price of commodity

7. Bartar system had the problem of ———.
- (a) lack of double coincidence of wants
  - (b) absence of common measure of value
  - (c) absence of store of value
  - (d) all
8. Which one is not a qualitative method of credit control?
- (a) rationing of credit
  - (b) direct action
  - (c) moral suasion
  - (d) open market operation
9. Money is transferred by a commercial bank in the form of a cheque is caused as
- (a) paper money            (b) credit money
  - (c) metallic money        (d) fiat money
10. Who said that 'The love of money is the root of all' evil?
- (a) Keynes                    (b) Smith
  - (c) Freidman                (d) Fisher

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) State the features and difficulties of the batter system.

Or

- (b) Describe the role of money in socialist economy.

12. (a) Describe the Milton Friedman's quantity theory of money.

Or

- (b) Write a note on stagflation.

13. (a) Describe the various kinds of money.

Or

- (b) Write about the quantity theory of money.

14. (a) Mention the various types of inflation.

Or

- (b) What are the objectives and limitations of monetary policy?

15. (a) Explain the methods of controlling deflation.

Or

- (b) What are the characteristics of Indian money market?

PART C — ( $5 \times 8 = 40$  marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Discuss the role of money in the economic system.

Or

- (b) Analyse the Milton Friedman's quantity theory of money.

17. (a) Explain the significance of money in detail.

Or

- (b) Enumerate the various stages of evolution of money.

18. (a) What are the measures to control deflation?

Or

- (b) What are the objectives of monetary policy?

19. (a) Describe the method of credit control by central bank.

Or

- (b) Describe the causes and effects of inflation.

20. (a) Explain the credit creation.

Or

- (b) Explain the methods of credit control.
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