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M.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2023.

Third Semester

Economics — Core

MONETARY ECONOMICS

(For those who joined in July 2021–2022)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The quantity theory of money is a theory that variations in price relate to
 - (a) variations in the money demand
 - (b) variation in the money supply
 - (c) both (a) and (b)
 - (d) none of these

2. Tobin argues that money as an asset is demanded as a/an _____
 - (a) aversion to risk
 - (b) wealth
 - (c) bonds
 - (d) shares
3. Which agency regulates the money supply in India?
 - (a) Commercial Banks
 - (b) World Bank
 - (c) RBI
 - (d) None of the above
4. M3 is known as
 - (a) Broad money
 - (b) Narrow money
 - (c) M1 + M4
 - (d) All of these
5. The overall directions of the RBI lies with _____
 - (a) 20 members
 - (b) 21 members
 - (c) 30 members
 - (d) 07 members



6. The national economy contracted in July 1991 as the Indian rupee was _____

- (a) Devalued (b) Valued
(c) Both (d) None

7. Monetary Policy Committee was established in _____

- (a) 2013 (b) 2014
(c) 2015 (d) 2016

8. The instruments of monetary policy is/are:

- (a) Open market operations
(b) CRR
(c) SLR
(d) All of these

9. The First Regional Rural Bank was established in India in the year _____

- (a) 1991 (b) 1975
(c) 1988 (d) 1991

10. The capital market in India is controlled by _____

- (a) RBI (b) NABARD
(c) SEBI (d) None

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the Cash Balance Approach.

Or

(b) State the inventory theory of money.

12. (a) Narrate the measures of money supply.

Or

(b) Mention the determinants of money multiplier.

13. (a) Bring out the functions of RBI.

Or

(b) Write a short note on 'Credit Control'

14. (a) Explain the instruments of Monetary Policy.

Or

(b) Write a brief note on 'Expansionary Monetary Policy'.



15. (a) Indicate the defects of Indian Banking System.

Or

- (b) Explain the Banking Sector reforms in India.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Critically examine Fisher's quantity theory of money.

Or

- (b) Discuss the criticisms of Don Patinkin's theory.

17. (a) Briefly explain the factors affecting money supply.

Or

- (b) Describe the money multiplier process.

18. (a) Elucidate the Exchange Control Management by RBI.

Or

- (b) Enumerate the role of RBI in Indian Economy.

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19. (a) Bring out the trade off and targets of monetary policy.

Or

- (b) Analysis the indicators of Monetary Policy.

20. (a) Mention the pros of Innovative Banking.

Or

- (b) List out the recent trends in Banking System.

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