

TM154200C

Reg.No:.....

Name:.....

M. A. DEGREE (C.S.S.) EXAMINATION, MARCH 2017
SEMESTER IV – ECONOMICS
EC4EB1M - MONETARY THEORY AND POLICY

Time: Three Hours

Maximum Marks: 75

PART A

I. Answer any five questions. Each question carries 3 marks.

1. Define Classical dichotomy?
2. Differentiate between money, near money and credit?
3. Explain the different measures of money supply in India?
4. Explain classical theory of demand for money
5. Differentiate between the natural and market rates of interest?
6. Explain Basel Norms of Indian commercial Banks?
7. What are the different methods of monetary control?

(5x3=15)

PART B

II. Answer any six questions. Each question carries 5 marks.

8. Examine the static and dynamic functions of money?
9. Explain Friedman's Restatement?
10. Discuss the Mechanistic and behavioural models of money supply?
11. Explain Patinkin's model and real balance effect
12. Elucidate important monetary reforms in India?
13. Briefly explain the monetary business cycle theory of Hawtrey and Hayek?
14. Explain William J Baumol theory of demand?
15. Explain the liquidity premium approach?
16. Elucidate main remarks of Narasimham Committee?

(6x5=30)

PART C

III. Answer any two questions. Each question carries 15 marks.

17. Examine post Keynesian theories of the demand for money?
18. Explain components and impacts of global financial crisis on India?
19. Evaluate critically the three main theories describing the term structure of interest rates?
20. Elucidate the mechanistic and behavioural models of money supply?

(2x15=30)