Saintgits College of Applied Sciences, Pathamuttom

II Internal Examination, February 2017

Fourth Semester

Time: 3 Hours B A Corporate Economics Max. Marks: 80

Monetary Economics II

Section A

Answer all the **ten** questions. Each question carries one mark.

1. Neutrality of money
2. Wealth effect
3. Demand for money
4. Liquidity of money
5. Liquidity trap
6. Current governor of RBI
7. NBFI
8. Reverse Repo
9. Income theory of money
10. Transactions motive 10x1=10 marks

Section B-Answer any eight of the following. Each question carries two marks

.

1. What do you mean by real balance?
2. List out any two qualitative control measures of central bank.
3. Distinguish between CRR and SLR.
4. Give any two important functions of a commercial bank.
5. Write the historical attempts related to income theory of money
6. According to Keynes why people demand for money?
7. What is Gurley & Shaw view on inefficacy of monetary policy to fight inflation?
8. Give any three functions of NBFI.
9. What do you mean by classical dichotomy?
10. State Baumols theory of demand for money.
11. What is the current CRR and SLR rate?
12. How bank rate helps to control inflation in the economy?

8x2=16 marks

Section C-Answer any six of the following. Each question carries 4 marks.

1. Distinguish between Cambridge approach and fisherian approach
2. What are the objectives of monetary policy?
3. Bring out the difference between NBFI and banks.
4. Write a note about active cash balances
5. Explain wealth effect with diagram.
6. Explain how the saving investment theory is an improvement over the quantity theory of money
7. Compare pigou effect and real balance effect.
8. Write a note on quantitative credit control measures.
9. Assumptions of Patinkins real balance.

6x4=24 marks

Section D- Answer any two of the following. Each question carries 15 marks.

1. Explain Real balance effect by Patinkin.
2. Monetary policy helps to fight out inflation- Discuss
3. Explain the portfolio balance approach
4. Write a detailed note on the income theory of money

2\*15=30 marks  
  
 \*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*\*