



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category A by MHRD)

Re-accredited with A++ Grade by NAAC. CGPA 3.65/4, Category I by UGC

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment – I (February, 2025)

Class: I M.A.

Time: 2 Hours

Major: Economics

Max. Marks: 60

23MECC11 - Monetary Economics

Course Outcomes:

CO 1: Discern different approaches to the theory of demand for money

CO 2: Understand the operation of financial markets.

CO 3: Comprehend the techniques of monetary policy.

CO 4 : Examine the link between financial markets and the real economy

CO 5 : Apply the key models and concepts in monetary economics to current events.

PART – A

6 x 1 = 6

Choose the correct answer

1. Money is a medium of? **CO1K1**
a) Communication b) Barter c) Exchange d) Speculation
2. According to Cambridge equation, the value of money depends upon? **CO1K1**
a) Demand for money b) Supply of money c) Demand for goods d) Price level
3. In the context of the transaction demand for money, the square root rule was developed by? **CO1K1**
a) Kydland – Prescott b) Baumol c) Baumol – Tobin d) J.M.Keynes
4. Real balance effect is equal to ____? **CO1K2**
a) Pigou effect / Keynes effect b) Pigou effect X Keynes effect c) Pigou effect + Keynes effect d) Pigou effect + Keynes effect
5. Bank having maximum number of branches in India? **CO2K1**
a) Reserve Bank of India b) State Bank of India c) Punjab National Bank d) Bank of Baroda
6. Currency notes are issued by? **CO2K1**
a) RBI b) NABARD c) Public sector banks d) Central Government

PART – B

Answer the following questions

3 x 6 = 18

(Answer should not exceed 400 words or two pages)

- 7 a. Discuss the meaning and types of money? **CO1K3**
(OR)
b. Demonstrate IS LM analysis **CO1K4**
8. a. Describe the assumptions of Fisher's theory **CO1K3**
(OR)
b. Narrate Pigou's cash balances approach **CO1K3**

9. a. Discuss the similarities and dissimilarities of Transactions Approach Vs. Cash Balances Approach **CO1K3**
(OR)
b. Analyse various methods of credit control **CO2K4**

Part - C

Answer the following questions

3 x 12 = 36

(Answer should not exceed 800 words or four pages)

10. a. Discuss the Cambridge approach to classical quantity theory of money? **CO1K3**
(OR)
b. Describe the Keynes Theory of demand for Money **CO1K3**
11. a. Examine Friedman's Quantity Theory of Money **CO1K3**
(OR)
b. Analyse the superiority of Cash Balances Approach over Transactions Approach. **CO1K4**
12. a. Explain the characteristics and functions of Indian Money Market **CO2K3**
(OR)
b. Discuss the role of a Non-bank financial intermediaries in promoting economic development of a country **CO2K3**

Number of copies: 15

Staff In-charge: Dr.M.Shanthi