

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2024**

Semester : Semester III - 2022

Course Code : BSE1015

Course Name : Monetary Economics

Program : B.Sc. Economics

Date : 05-JAN-2024

Time : 1:00 PM - 4:00 PM

Max Marks : 100

Weightage : 50%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

5 X 2M = 10M

1. Differentiate M0, M1, M2, M3 of monetary stock
(CO1) [Knowledge]
2. Identify the relationship between interest rate and financial asset prices
(CO2) [Knowledge]
3. Define moral suasion as a monetary policy measure
(CO2) [Knowledge]
4. State the classical view on money expressed in quantity theory of money
(CO3) [Knowledge]
5. Identify the monetary policy instruments of Cash Reserve ratio and Open market operations
(CO5) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

5 X 10M = 50M

6. Differentiate Classical and Keynesian view on effectiveness of monetary policy
(CO4) [Comprehension]
7. Differentiate monetary transmission mechanism in Keynesian and neo-Keynesian theories
(CO3) [Comprehension]
8. Discuss in detail the functions of money
(CO2) [Comprehension]

9. Explain various standard systems of notes issue

(CO1) [Comprehension]

10. Discuss about neutrality and non-neutrality of money

(CO4) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 20M = 40M

11. Discuss in detail about expectation theory and segmented market theory of term structure of interest rates

(CO1,CO2) [Application]

12. Explain in detail the Hicks-Hansan's modern theory of interest rate

(CO3,CO4) [Application]