63/2 (SEM-3) ECO 3.3

2022

(Held in 2023)

ECONOMICS

(Theory Paper)

Paper Code : ECO 3.3

(Monetary Conomics)

Full Marks – 80

Pass Marks – 32

Time – Three hours

The figures in the margin indicate full marks for the questions.

1. Answer the following questions (Within 50 words each) :   2×4=8

    (a) Define 'near money'.

    (b) Mention two major drawbacks of animal money.

    (c) Mention the two important functions of money from which the concept of Demand for money has come.

    (d) What is *Hundi* ?

2. Answer the following questions (Within 150 words each) : 5×4=20

(a) Elaborate the various functions of money.

(b) Distinguish between Actual Money and Money of Account.

(c) Distinguish between short-run and long-run Phillips Curve.

(d) What are the differences between Money market and Capital market ?

3. Attempt any two of the following questions : 10×2=20

(a) Define money. Explain the different measures of money supply. 2+8=10

(b) Explain the 'Square Root Formula' of Baumol and also mention it's importance. 7+3=10

(c) What is stagflation ? What are the causes of stagflation and how is it bad for the economy ? 4+6=10

(d) Explain the different financial instruments in the Indian money market. 10

4. Answer the following questions : 16×2=32

(a) (i) What is High Powered Money ? Set the relationship between high powered money and money multiplier and explain with proper diagrammatic representation. 4+6+6=16

Or

(ii) Make a comparison between Keynes speculative demand for money and Tobin's speculative demand for money. 16

(b) (i) Discuss different functions of Financial Markets. 16

Or

(ii) Explain the different monetary and fiscal policies to control inflation. 16