QP Code: D 112901	Total Pages: 2	Name:
		Register No.

FIRST SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2024

(CUFYUGP)

ECO1MN102: Monetary Tools for Policy Formulation

2024 Admission onwards

Maximum Time :2 Hours	Maximum Marks :70

Section A

All Questions can be answered. Each Question carries 3 marks (Ceiling : 24 Marks**)**

1	Explain meaning and scope of monetary policy
2	What do you mean by selective credit controls?
3	What are the components of aggregate demand?
4	According to Keynes, how does tight monetary policy work?
5	How does open market operation help to achieve economic stability?
6	What are target variables in the transmission mechanism of monetary policy?
7	Explain the significance of direct action of monetary control
8	Explain monetarism and its major features
9	Write a note on effective monetary policy prescription
10	Explain the difference between SLR, repo rate and reverse repo rate

Section B

All Questions can be answered. Each Question carries 6 marks (Ceiling :36 Marks**)**

11	Explain quantitative tools of monetary policy
12	Explain the sources of monetary mismanagement. Support your arguments with reference to India's experience
13	Describe various objectives of monetary policy of RBI
14	Examine the extent and causes of weaker transmission of monetary policy in developing countries
15	Discuss differences between Keynesian and monetarists views on monetary policy
16	Explain liquidity preference theory of interest
17	Define monetary transmission. What are the four steps in the monetary policy transmission mechanism?
18	What is the implication of downward slope of the aggregate demand curve? How does changes in the money supply affect aggregate demand curve?

Section C	
Answer any ONE. Each Question carries 10 marks (1x10=10 Marks)	
19	Examine the challenges of effective monetary policy in emerging economies
20	Differentiate between expansionary and contractionary monetary policy. Describe the effectiveness of expansionary monetary policy to cure recession