QP Code: D133008	**Total Pages: 2**	**Name:**
		Register No.

FIRST SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(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	What do you mean by open market operations?
2	Differentiate between repo rate and reverse repo rate
3	What are the objectives of monetary policy?
4	What are target variables? Give examples
5	Explain liquidity trap with the help of suitable diagram
6	What do you mean by monetary rule?
7	Explain meaning and features of contractionary monetary policy
8	What factors determine the effectiveness of monetary policy?
9	Define moral suasion. Mention other qualitative tools of monetary policy
10	What do you mean by monetary transmission?

Section B

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

11	Explain important sources of monetary mismanagement
12	Narrate the challenges of effective monetary policy in emerging economies
13	*An expansionary monetary policy would most likely increase aggregate demand*. Discuss
14	How does monetary policy help economic stability?
15	Explain meaning and components of aggregate demand. Explain why the interest rate effect creates a downward sloping aggregate demand curve
16	*Developing countries exhibit weaker transmission of monetary policy*. Do you agree? Comment
17	Prepare a note on monetary policy prescription
18	*Keynesian economists generally argue that aggregate demand is volatile and unstable*. Discuss

Section C	
Answer any ONE. Each Question carries 10 marks (1x10=10 Marks)	
19	Critically examine the theory of liquidity preference
20	What are the quantitative instruments of monetary policy? Evaluate the effectiveness of tight monetary policy to control inflation

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