

	<p>6. The monetary base:</p> <ul style="list-style-type: none">A) is also called "high-powered money".B) is currency held in the hands of the public.C) is the reserves in the banking system.D) None of the above. <p>7. Keynes believed that transaction demand for money is the function of</p> <ul style="list-style-type: none">A) investmentB) consumptionC) incomeD) interest <p>8. The speculative demand for money is a decreasing function of</p> <ul style="list-style-type: none">A) the incomeB) interestC) currencyD) supply <p>9. The policy which is adopted by Central Bank to control the supply of money is called</p> <ul style="list-style-type: none">A) fiscal policyB) inflation policyC) stable policyD) monetary policy <p>10. The inverse relationship between unemployment rate and inflation is called</p> <ul style="list-style-type: none">A) demand curveB) Phillips curveC) inflation curveD) Tobin curve	
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UNIVERSITY OF THE PUNJAB

Seventh Semester 2017
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Monetary Economics
Course Code: ECON-405

TIME ALLOWED: 2 hrs. & 30 mins.
MAX. MARKS: 50

Attempt this Paper on Separate Answer Sheet provided.

SUBJECTIVE PART

Q2.	Write short answers to the following questions. (i) Briefly explain the various stages in evolution of money. (ii) Define Central Bank and its functions. (iii) What is meant by open market operations? (iv) Distinguish between demand pull and cost push inflation. (v) What is inflation targeting?	5 x 4 = 20
Q3.	Explain the concept of money multiplier. What difference you note between the monetary base and reserve base multiplier?	10
Q4.	Discuss various determinants of money supply.	10
Q5.	Explain Friedman's modern quantity theory of money.	10



UNIVERSITY OF THE PUNJAB

Seventh Semester 2017
Examination: B.S. 4 Years Programme

Roll No.

PAPER: Monetary Economics
Course Code: ECON-405

TIME ALLOWED: 30 mins.
MAX. MARKS: 10

Attempt this Paper on this Question Sheet only.

OBJECTIVE PART

Note: Attempt all questions. All questions carry equal marks

<u>Objective Part Time Allowed 30 Minutes.</u>		
Q.1	Choose the correct answer listed below against each part.	10
	<p>1. In the classical system, it plays no role in the determination of employment, income and output</p> <p>A) interest B) money C) saving D) investment</p> <p>2. the most important function of all the commercial bank is</p> <p>A) printing notes B) control money C) credit creation D) create deflation</p> <p>3. Fixing the exchange rate of a country has benefits, including:</p> <p>A) they reduce the risk that investors face when they hold foreign bonds. B) that it makes it easy for policy makers to let inflation occur. C) it imports monetary policy from the economy to which the exchange rate is pegged. D) all of the answers given are correct.</p> <p>4. The quantity of money is in part decided by the nonbank public through:</p> <p>A) the monetary base. B) the required reserve ratio. C) the excess reserve ratio. D) the currency-to-deposit ratio.</p> <p>5. A decrease in excess reserves held by commercial banks:</p> <p>A) decreases the required reserves. B) results in more deposits. C) decreases the quantity of money. D) increases the quantity of money.</p>	
	P.T.O.	



UNIVERSITY OF THE PUNJAB
Seventh Semester – 2019
Examination: B.S. 4 Years Program

Roll No. in Fig.

Roll No. in Words.

PAPER: Monetary Economics
Course Code: ECON-405 Part-I (Compulsory)

MAX. TIME: 15 Min.
MAX. MARKS: 10

Signature of Supdt.:

Attempt this Paper on this Question Sheet only.
Please encircle the correct option. Division of marks is given in front of each question.
This Paper will be collected back after expiry of time limit mentioned above.

Q.1. Encircle the right answer, cutting and overwriting is not allowed. (1x10=10)

1. Which of the following is not a function of money?
 - a) hedge against inflation
 - b) medium of exchange
 - c) unit of account
 - d) store of value
2. An example of fiat money is
 - a) paper euros.
 - b) gold.
 - c) silver coins.
 - d) cigarettes.
3. If the banks in an economy operate with a reserve ratio of 20 per cent then the money multiplier is:
 - a) 4
 - b) 20
 - c) 25
 - d) 5
4. Reserve requirements that may be imposed on an economy's banks by its central bank specify that banks' reserves must be a minimum percentage of their
 - a) assets.
 - b) deposits.
 - c) loans.
 - d) government bonds.
5. The three main tools of monetary policy are
 - a) fiat, commodity, and deposit money.
 - b) open-market operations, reserve requirements, and the discount rate.
 - c) the money supply, government purchases, and taxation.
 - d) government expenditures, taxation, and reserve requirements.

P.T.O.



UNIVERSITY OF THE PUNJAB

Seventh Semester – 2019

Examination: B.S. 4 Years Program

Roll No.

PAPER: Monetary Economics

Course Code: ECON-405 Part – II

MAX. TIME: 2 Hrs. 45 Min.

MAX. MARKS: 50

ATTEMPT THIS (SUBJECTIVE) ON THE SEPARATE ANSWER SHEET PROVIDED

Q2.	Write short answers to the following questions. i) What is Rational Expectation Theory? ii) What is Monetization of Public Debt? iii) What is Regressive Expectation Model? iv) Discuss discount rate as a monetary policy tool. v) What is the role of Financial Intermediaries?	5 x 4 = 20
Q3.	How central bank chooses to target interest rate, inflation or exchange rate?	10
Q4.	Discuss Keynesian liquidity preference framework.	10
Q5.	Discuss current issues in monetary and financial sector reforms	10



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program : Seventh Semester – Fall 2021

Paper: Monetary Economics

Course Code: ECON-405

Roll No.

Time: 3 Hrs. Marks: 60

Q.1. Answer the following short questions: (6x5=30)

- 1. Differentiate between stagflation and hyperinflation.**
- 2. Discuss determinants of interest rate.**
- 3. Discuss functions of Central bank.**
- 4. What is monetary policy? What are the tools of monetary policy?**
- 5. Briefly discuss neutrality and non-neutrality of money.**
- 6. Define M1, M2 and M3.**

Q.2. Answer the following questions. (3x10=30)

- 1. Discuss Baumol- Tobin model of cash management.**
- 2. Define money and what functions are performed by money in capitalist economy.**
- 3. Write a note on evolution of money.**



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Sixth Semester – Spring 2022

Paper: Monetary Economics

Course Code: ECON-308 N

Roll No.

Time: 3 Hrs. Marks: 60

THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions. (6x5=30)

- i. Briefly explain three major tools of monetary policy.
- ii. What is classical Dichotomy?
- iii. Explain demand-pull inflation by giving suitable example.
- iv. What is the difference between fixed and flexible exchange rate regimes?
- v. Explain the difference between ex-ante and ex-post real interest rates.
- vi. Differentiate between neutrality and non-neutrality of money.

Q.2. Answer the following questions. (3x10=30)

- i. What is money as describes by the functions of money? Relative to a barter economy, what problems are overcome by the use of money?
- ii. Explain intuitively how the money multiplier changes when (i) the required reserve ratio increases, (ii) the currency to deposit ratio increases, and (iii) the excess reserve to deposit ratio increases.
- iii. Explain the concept of exchange rate. How can it be determined under fixed and flexible exchange rate regimes?



UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program / Seventh Semester – Spring 2022

Roll No.

Paper: Monetary Economics

Course Code: ECON-405

Time: 3 Hrs. Marks: 60

THE ANSWERS MUST BE ATTEMPTED ON THE ANSWER SHEET PROVIDED

Q.1. Answer the following short questions: (6x5=30)

1. Differentiate between stagflation and hyperinflation.
2. Discuss determinants of interest rate.
3. Discuss functions of Central bank.
4. What do you mean by money multiplier? Explain
5. Explain neutrality of money.
6. Explain monetization of public debt.

Q.2. Answer the following questions. (3x10=30)

1. Discuss Friedman's quantity theory of money.
2. What are the causes of inflation in Pakistan? How it can be controlled?
3. Discuss risk and term structure of interest rates.