

(15 & A- 7-Eng), SEAT No. \_\_\_\_\_

No. of Printed Pages : 2

**SARDAR PATEL UNIVERSITY**

**B.Com Examination II- Semester**

**Saturday Date 01/04/2017**

**Evening Session Time: 10.00 am to 12.00 pm.**

**Subject/Course Code: Monetary economics**

**Subject/Course Code: UB02CCOM03**

**Total Weightage/Marks:60**

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|-----|--|------|
| Q-1 | (A) Explain the functions of money.  | (08) |
|     | (B) Distinguish between Fisher's transaction theory and Cambridge's cash balance approach.                           | (07) |
| OR  |  |      |
| Q-1 | Explain Milton Friedman's A restatement of quantity theory of money.   | (15) |
| Q-2 | (A) Describe the limitations of Index number.  | (08) |
|     | (B) Explain a Model business cycle with the diagram,   | (07) |
| OR  |  |      |
| Q-2 | What is inflation? Discuss the causes and effects of inflation.  | (15) |
| Q-3 | (A) Describe the functions of commercial banks.  | (08) |
|     | (B) Explain the credit creation process with the help of numerical example.  | (07) |
| OR  |  |      |
| Q-3 | Describe the objectives of monetary policy. Discuss the quantitative and qualitative instruments of monetary policy. | (15) |
| Q-4 | (A) Explain the J. B. Say's law of market.   | (08) |
|     | (B) Discuss the liquidity preference theory.   | (07) |
| OR  |  |      |
| Q-4 | Explain the Keynesian theory of income and employment with the help of consumption function.                         | (15) |