

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
Online End Semester Examination, Dec 2020

Program: BA in Energy Economics
Course: Monetary Economics
Course Code: ECON 3003

Semester: V
Max. Marks: 100
Duration: 3 Hours

SECTION A

1. Each Question will carry 5 marks.
2. Attempt all the questions. Write very short answer.

S. No	Question	COs
1.	What are the functions of commercial banks?	CO1
2.	Differentiate between money and capital markets.	CO1, CO2
3.	Comment on the statement that every loan creates a deposit.	CO1, CO2
4.	Mention the factors responsible for the increase in money supply.	CO1
5.	What are the repo rate and reverse repo rate?	CO1
6.	Why does an increase in interest rate cause a decline bond price?	CO1, CO2

SECTION B

1. Each Question will carry 10 marks.
2. Attempt all the questions. Write short answer.

7.	Describe the organizational structure and management of RBI.	CO2
8.	Explain Friedman's theory of demand for money. How does it differ from Keynes' theory of demand for money?	CO2, CO3
9.	"Commercial banks cannot disregard their liquidity for higher profits". Discuss this statement with the help of a balance sheet of a commercial bank.	CO2, CO3
10.	Discuss the relative merits of qualitative and quantitative techniques of credit control in a developing economy.	CO2, CO3
11.	Discuss briefly the nature and functions of financial markets.	CO2, CO3

SECTION C

1. Each Question will carry 20 marks.
2. Write long answer.

12.	"The objective of achieving price stability through monetary policy clashes with its objective of economic growth". Do you agree? Discuss.	CO4
-----	--	-----