

Roll.No.

20UECCT3006

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

B.A.Economics - END SEMESTER EXAMINATIONS - NOVEMBER 2025  
SEMESTER - III

**20UECCT3006 - Economics of Money**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

### Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Define money and list its primary functions in an economy.
2. Explain Fisher's Equation of Exchange with suitable example.
3. Analyse the different components of money supply in India.
4. Describe the main causes of inflation in developing economies.
5. Explain the sunspot theory of trade cycle.
6. Apply the Cash Balance Approach to explain the determination of value of money.
7. Explain the system of note issue followed in India.
8. Evaluate the effectiveness of monetary policy measures in controlling inflation.

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Explain the evolution and functions of money. Discuss Gresham's Law and its practical implications in monetary systems.
10. Compare and contrast Fisher's Equation of Exchange with the Cash Balance Approach. Examine their respective contributions to the Quantity Theory of Money.
11. Critically evaluate the money supply mechanism in India. Discuss the components of money supply and the methods of measuring it.
12. Analyze the causes and consequences of deflation. Examine the stabilization policies that can be adopted to combat deflationary pressures.
13. Critically assess Schumpeter's Innovation Theory of Trade Cycles. How does it differ from Pigou's Psychological Theory.

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