



UNIVERSITY OF THE PUNJAB

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

Roll No.

Paper: Monetary Economics

Course Code: ECON-405

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.**