



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.**