

# School of Liberal Education

Department of Humanities  
Mid Term Examination

Exam Date: 29 Sep 2023  
Time : 90 Minutes  
Marks : 50

## Sem III - ECO6018 - Monetary Economics

*Your answer should be specific to the question asked  
Draw neat labeled diagrams wherever necessary*

- 1) In what ways does money act as a store of value? Provide examples to illustrate your point. K2 (2)
- 2) What are the primary functions of money? K1 (3)
- 3) Compare and contrast the commodity money and fiat money approaches. K2 (4)
- 4) Explain the concept of near money and its significance in the context of money supply definitions. K2 (6)
- 5) How does a government maintain the value of paper currency in the absence of the gold standard? K3 (6)
- 6) How is the value of money affected by inflation? Provide an illustrative example. K3 (9)
- 7) Critically analyse Fisher's quantity theory of money. K4 (8)
- 8) Distinguish among Liquidity Preference theory, Transactions Demand and Speculative Demand for money. K4 (12)

**OR**

Examine how changes in interest rates influence the demand for money according to the Liquidity Preference theory. K4 (12)