

Model Question Paper
Monetary Policy - Part II

12th Standard

Economics

Reg.No. :

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I. Answer all the questions.

II. Use blue pen only.

Time : 01:30:00 Hrs

Total Marks : 90

5 x 1 = 5

Part-A

- 1) Reserve bank of India is the _____ bank of our country.
(a) Commercial bank (b) Central bank (c) Axis bank (d) State bank
- 2) Macro economic policy can be broadly divided into monetary policy and _____ Policy.
(a) Monetary policy (b) Fiscal policy (c) Industrial policy (d) Agricultural policy
- 3) _____ is the rate at which the Central bank will lend money to all other banks.
(a) Bank rate (b) Open market operation (c) Cash reserve ratio (d) Selective credit Control
- 4) "Money is that which money does" was the statement by
(a) Fisher (b) Walker (c) Crowther (d) J.S.Mill
- 5) M_3 is called
(a) Broad money (b) narrow money (c) fiat money (d) reserve money

Part-B

5 x 3 = 15

- 6) What is Fiat Money and Bank Notes?
- 7) What are the conditions essential for the success of credit policy?
- 8) What is Transmission Mechanism?
- 9) Define Net Private Wealth.
- 10) What is liquidity trap?

Part-C

5 x 10 = 50

- 11) Explain the functions of money?
- 12) Describe the importance of money?
- 13) Explain the quantitative methods of credit control
- 14) Explain the selective methods of credit control
- 15) Write a note on 'Selective credit control'.

Part-D

1 x 20 = 20

- 16) Discuss the quantity theory of money?
