

Model Question Paper
Monetary Policy - Part I

12th Standard

Economics

Reg.No. :

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I. Answer all the questions.

II. Use blue pen only.

III. Question number 16 is compulsory.

Time : 02:00:00 Hrs

Total Marks : 90

5 x 1 = 5

Part-A

- 1) Monetary policy is controlled by
(a) central government (b) state government (c) central bank (d) private sector.
- 2) Currency with the public is known as
(a) M1 (b) M2 (c) M3 (d) M4
- 3) Bank rate is raised during
(a) deflation (b) inflation (c) stable prices (d) unemployment
- 4) During inflation
(a) businessmen gain (b) wage earners gain (c) salaried people gain (d) Renters gain
- 5) A situation marked by rising prices and stagnation in demand is known as
(a) cost-push inflation (b) demand – pull inflation (c) stagflation (d) wage – push inflation.

Part-B

- 6) Define Money.
- 7) What are the four components of money supply in India ?
- 8) Define monetary policy.
- 9) What are the instruments of quantitative credit control ?
- 10) What is Stagflation ?

5 x 3 = 15

Part-C

- 11) Explain the difficulties of barter system.
- 12) Write a note on Reserve Money?
- 13) Explain (a) Dear Money policy (b) Cheap Money Policy?
- 14) Explain the equation of exchange.
- 15) Write a note on Monetary Policy?

5 x 10 = 50

Part-D

- 16) a) Describe the functions of money.
- b) Discuss the objectives and instruments of monetary policy.

1 x 20 = 20

(OR)
