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P.P. Code: S2153

Answer Key (Solution)

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Set II

Q. No.

F.Y.B.Sc Paper - II

Sem - II

Marks

- Q. 1
- (a) Explanation with example and diagram of quantity theory of money.
 - (b) Explanation of M_1, M_2, M_3, M_4 etc
 - (c) Definition and explanation of velocity of circulation of money.
- Q. 2
- (a) Meaning and explanation of Transaction Motives of demand for money.
 - (b) Explanation with diagram of liquidity trap
 - (c) Explanation of derivation of LM curve.
- Q. 3
- (a) Meaning of ~~the~~ saving function, and explanation of MPS and APS
 - (b) Explanation with diagram of equilibrium of goods market.
 - (c) Explanation of derivation of IS curve.
- Q. 4
- (a) Explanation of quantitative and qualitative instruments of monetary policy.
 - (b) Explanation of instruments of fiscal policy.
 - (c) Explanation with diagram of equilibrium in the goods and money market.

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Marks

2. 5 (a) Meaning and explanation of money and money supply.
- (b) explanation of of precaution motive of demand for money.
- (c) explanation of investment demand function.
- (d) explanation with diagram of effectiveness of monetary policy.