



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
SEPTEMBER, 2020_1 EXAMINATIONS**

COURSE TITLE: MONETARY THEORY AND POLICY

COURSE CODE: ECO 343

UNITS: 3

TIME ALLOWED: 3HOURS

**INSTRUCTION: ANSWER ANY FOUR QUESTIONS. ALL QUESTIONS CARRY
EQUAL MARKS**

QUESTION ONE

Monetary policy is concerned with the changes in supply of money and credit in the economy.
Discuss **(17.5 Marks)**

QUESTION TWO

Explain the Major macroeconomics objectives of Monetary policy in developing economy like Nigeria
(17.5marks)

QUESTION THREE

Monetary policy should be able to help in the attainment of sustained economic growth in any economy but in developing economy like Nigeria, this is not so, give reasons for this.
(17.5 marks)

QUESTION FOUR

Policy Makers are often confronted with certain policy conflicts; briefly explain these conflicts
monetary policy makers' faces. **(17.5 Marks)**

QUESTION FIVE

Evaluate the factors identified by Milton Friedman as the determinants of Money demand
(17.5 marks)

QUESTION SIX

Experts believed that the failure of some economic policy is attributable to lags. Differentiate
between Recognition lag and administrative lag as it concern monetary policy implementation in
Nigeria **(17.5 Marks)**