

semester final exam
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submitted to: Joyeeta Datta
Lecturer, BBA Department
victoriya university of
Bangladesh

submitted by: Emon Hossain
Id: 1517920041
BTMM, Department

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Ans to the query NO: 01

Term money :- money is a commodity accepted by general consent as a medium of economic exchange. It is the medium in which prices and values are expressed. It circulates from person to person and country to country, facilitating trade and it is the principal measure of wealth.

Explain the functions of

(p.t.o)

money :-

there are three type of functions of money :-

* First .

* Second .

* Third .

☐ First : money is a store

of value. If I work today

and earn 25 dollars, I can

hold on to the money before

I spend it because it will

hold its value until tomorrow.

(p.t.o)②

Next week, or even next year.

In fact, holding money is a more effective way of storing value than holding other items of value such as corn which might rot.

* second: money is a unit of account. you can think of money as a yardstick - the device we use to measure value in economic transactions


(p. 1.0) ③

if you were shopping for a new computer, the price could be quoted in terms of t-shirts, bicycles, or corn. So, for instance, your new computer, the price could be ~~to~~ might cost you 100 to 150 bushels of corn at today's price.

Third :- money is a medium of exchange. This

(p.t.o) (4)

means that money is widely accepted as a means that money is widely accepted as a method of payment. when I go to the grocery store I am confident that the cashier will accept my payment of money. In fact, US paper money carries this statement, "This note is legal tender for all debts, public and private. This means that the U.S. government protects

(P. 1.0) 

my right to pay with U.S. dollars.

this is the function of money.

Ans to the ques No: (02)

Demand for money :- The demand for money explains the desire of people for a definite amount of money. money is

(P.T.O)⁶

needed to manage transactions, and the value of transactions decides the money people want to keep. The larger the quantum of transactions, the bigger is the amount of money demanded.

□ classical theory of

money: -

classical theorists argued that the stock of money that the average household needs

(Ratio) ^⑦

at any point in time is proportional to the dollar value of its demand for commodities.

there are three types of classified theories :-

① Classical management theory.

② Behavioral management theory.

③ modern management theory.

(P+0) ⊗

① Classical management theory:-

classical management theory is based on the belief that workers only have physical and economic needs and prescribes specialization of labor. Classical theories recommend centralized leadership and decision-making and focus on profit maximization.

(Potato) ①

2. Behavioral management theory:

The behavioral management theory is focused on the human aspects of work.

They are also often referred to as the human

relations movement. These theories aspire to gain a better understanding of human behavior at work

to improve productivity. It focuses on behavioral aspects

like motivation, conflict, expectation and group dynamics (p.t.o)

③ modern management theory:-

modern management theory emphasizes the use of systematic mathematical techniques to analyze and understand the inter-relationship of management and workers in all aspects. Three streams of modern management theories are - quantitative approach, system approach and contingency approach.

— o —

(P. 10) ①

Ans to the query NO: (6)

Short notes on the following bellow:-

** Cost push Inflation:-

Cost push inflation occurs when overall prices increase in the cost of wages and raw materials.

(12)
(P.T.O)

* Demand pull inflation: The upward pressure on prices that follows a shortage in supply, a condition that economists describe as "too many dollars chasing too few goods".

Labour market: A labour market is the place where workers and employers interact.

(p.t.o) (123)

with each other, in the labour market, employers compete to hire the best, and the workers compete for the best satisfying job.

* product market Equilibrium:

Equilibrium is the state in which market supply and demand balance each other, and as a result prices become stable.

(14)
(p.t.o)

This is the short notes
on the following: Cost-push
inflation, Demand pull inflation,
Labour market, product market
equilibrium are explain
belowed there.

Ans to the querz no!

Describe money supply of a
country :

(p. 70) 15

The money supply is the total amount of money - cash, coins, and balances in bank accounts - in circulation. The money supply is commonly defined to be a group of safe assets that households and business can use to make payments or to hold as short-term investments.

there are three types

(M1)

of money supply of a country

① cash.

② central bank reserves.

③ commercial bank money.

Explain :-

① cash: - physical money, or cash,

is created under the authority of the bank of Bangladesh with coins manufactured by the Royal mint, and notes printed

(pta) 17

by specialist printer De La Rue.

② Central bank reserves :-

Central bank reserves are a type of electronic money created by the central bank and used by banks to make payment between themselves.

(p 40)

18

③ Commercial bank money :-

The third type of money accounts for approximately 97% of the money in circulation. However, unlike central bank reserves and cash.

It is not created by the central bank or any other part of government.

this types of supply

(p. 100)¹⁹

(15)

money market of a country.

The three types of money

accounts for approximately

5% of the money in

circulation. End

~~of bank reserves and cash~~

It is not created by the

central bank or any other

part of government.

This type of money

(Contd.)

(20)