

COURSE TITLE: MONETARY THEORY AND POLICY

WEEK 14. ASSESMENT QUESTIONS

INSTRUCTIONS-ANSWER ALL QUESTIONS

TIME-1 HOUR

Question 1

Differentiate between Full employment and Economic growth as the objective of monetary policy.
(4 marks)

Question 2

Discuss the Taylor's curve **(4 marks)**

Question 3

Discuss the various targets of monetary policy **(6 marks)**

Question 4

How does the central bank conduct monetary policy? **(6 marks)**

Question 5

Explain the limitations of the target variables of monetary policy **(10 marks)**