Apply NII to each mass.

m

 \overline{c} : $T = mac = mv_T^2/r$

Corresponds to x for the hanging mass M.

y:
$$+F_N - gm = ma_y = 0$$

M

 \overline{x} : $gM - T = Ma_x = 0$

y: No Forces

Add the x eqs:

$$gM=mv_{T}{}^{2}\!/r$$

 $v_T = [Mgr/m]^{1/2}$

