

I Semester End Examination - May 2022
Monetary System

Course Code: MCM102T

Time: 3 hours

QP Code: 11013

Total Marks: 70

Section – A

1. Answer any seven questions. Each question carries two marks. (7X2=14)
- Define Value of Money.
 - What is proportional Reserve System?
 - Define Fiat money
 - What is Crawling Peg?
 - What is an ADR?
 - What do you understand by Gresham's law?
 - Define Hedging.
 - Which are the major currencies traded across the globe?
 - What do you mean by Nixon Shock?
 - What is Capital Flight?

Section – B

- Answer any four questions. Each question carries five marks. (4X5=20)
- Explain Fisher's Quantity Theory of Money.
 - Explain Bretton Wood System and reasons for its failure.
 - Distinguish between a Bond and a Depository Receipt.
 - Explain the procedure of note issue and its types.
 - Bring out the nature and uses of SDR's.
 - Explain the factors affecting the deficit Balance of Trade.

Section – C

- Answer any two questions. Each question carries twelve marks. (2X12=24)
- Explain the circular flow of money with the help of a diagram.
 - Explain in detail the concept of disequilibrium in the BOP. Why does this arise?
What are the methods available to restore such disequilibrium?
 - Explain in detail different types of Bonds.
 - Write a brief note on the following:
 - Functions of Money.
 - Triffin's Paradox.
 - International Financial System.

Section – D

- Compulsory Question. (1X12=12)
- Explain Demonetisations of currency in India and its impact on economy.