



PG – 751

I Semester M.Com. Degree Examination, January 2015
(CBCS)
COMMERCE
Paper – 1.1 : Monetary System

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** questions out of ten. **Each** question carries **two** marks. (7×2=14)
- What is Current Account in International Trade ?
 - What is Pegged Exchange Rate ?
 - Define Monetary System.
 - What is Capital Flight ?
 - What is Target-zone Agreement ?
 - What is meant by Paper Gold ?
 - What is Samurai Bond ?
 - List the participants in International Financial Markets.
 - Write Indirect Quote of Foreign Exchange Rate.
 - State the difference between Devaluation and Depreciation in rectifying adverse BOPs.

SECTION – B

- Answer **any four** questions out of six. **Each** question carries **five** marks. (4×5=20)
- Distinguish between fixed and floating exchange rate system.
 - State the reasons for collapse of Bretton Woods agreement.
 - Explain the elements of international financial system.

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5. Briefly explain the Milton Friedman's restatement of the quantitative theory.
6. "Balance of Payment always balances". Comment.
7. Explain the principles of note issue.

SECTION – C

Answer **any three** questions out of five. **Each** question carries **12** marks. **(3×12 = 36)**

8. Critically evaluate international monetary system.
 9. Discuss the elements of international financial system and the role of financial markets in smooth functioning of international financial market.
 10. Critically evaluate paper currency standard and bring out the essential of sound currency system.
 11. Discuss the recent developments in foreign capital flows.
 12. Answer the following :
 - i) Quantitative theory of money
 - ii) Role of money in the New Economy.
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