



560

I Semester M.Com. Degree Examination, February 2019  
(CBCS Scheme)  
COMMERCE  
Paper - 1.1 : Monetary System

Time : 3 Hours

Max. Marks : 70

## SECTION - A

1. Answer any seven sub questions. Each sub question carries 2 marks. (7×2=14)
- Define value of money.
  - What do you understand by Gresham's Law ?
  - What do you mean by Devaluation ?
  - Differentiate between Soft Money and Near Money.
  - What do you mean by Monometallism ?
  - What is Gold Parity Standard ?
  - What is Capital Flight ?
  - What do you mean by Euro Bonds ?
  - What is Pegged Exchange Rate ?
  - What is Secular Disequilibrium in Balance of Payments ?

## SECTION - B

- Answer any four questions, each question carries 5 marks. (4×5=20)
- Critically evaluate the Irving Fisher's Quantity theory of money.
  - State the causes for the failure of Bretton Woods System.
  - State the essence of Gresham's law.
  - Explain in detail the causes of disequilibrium in the Balance of Payment.
  - Describe the evolution of International Monetary System.
  - Explain the factors contributed to the growth of Euro Currency Market.

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SECTION – C

Answer **any three** questions, **each** question carries **12** marks.

(3×12=36)

8. Critically examine the recent developments in Forex markets.
  9. What do you mean by the circular flow of money ? Explain the circular flow of money in an economy. Use diagram to illustrate your answer.
  10. "Balance of payment always balances". Comment.
  11. Write a review of the recent developments in Foreign Capital Flows.
  12. What is SDR ? How do SDRs solve the problem of International Liquidity ?
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