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Nagarjuna Degree College
38/36, Ramagondanahalli,
Yelahanka Hobli,
Bengaluru - 560 064.

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Reg. No.

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I Semester M.Com. Degree Examination, August - 2021

COMMERCE

Monetary System

(CBCS Scheme 2018-19)

Paper : 1.1

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answer All sections.

SECTION - A

Answer any 7 questions. Each carries 2 marks.

(7×2=14)

1. a) What do you mean by Capital account of convertibility?
- b) What is near money?
- c) What do you understand by Gresham's Law?
- d) Define Hedging.
- e) What is meant by money standard?
- f) What is settlement price?
- g) Give the meaning of Gold Bullion Standard.
- h) What is foreign trade Multiplier?
- i) Differentiate Inflation and Deflation.
- j) What do you mean by Fiat Money?

SECTION - B

Answer any 4 questions . Each question carries 5 marks.

(4×5=20)

2. What are the money market instruments? Explain in brief.
3. Briefly explain the methods of making foreign payments.
4. What is meant by Bimetallism? What are its advantages?
5. Explain the factors affecting the deficit balance of trade.
6. Explain the procedure of note issue and its type.
7. Bring out the nature and uses of SDRs.

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SECTION - C

Answer any 3 questions. Each question carries 12 marks.

(3×12=36)

8. What is Gold Standard? Explain the different types of Gold Standards. Mention the advantages and disadvantages of each gold standards.
 9. Write a brief note on following :
 - a. Macro economic variables affecting the money supply.
 - b. Bretton Woods System.
 - c. Functions of money.
 10. What do you mean by circular flow of money? Explain the circular flow of money in any economy. Use diagram to illustrate your answer.
 11. Explain in detail the concept of disequilibrium in the balance of payment. How does it arise? What are the methods available to restore such disequilibrium?
 12. Explain the recent development in Forex Markets.
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