Nagarjuna Degree College
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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)

   a) Define value of money.

   b) What do you understand by Gresham's Law ?

   c) What do you mean by Devaluation ?

   d) Differentiate between Soft Money and Near Money.

   e) What do you mean by Monometallism ?

   f) What is Gold Parity Standard ?

   g) What is Capital Flight ?

   h) What do you mean by Euro Bonds ?

   i) What is Pegged Exchange Rate ?

   j) What is Secular Disequilibrium in Balance of Payments ?

SECTION – B

Answer **any four** questions, **each** question carries **5** marks.   (4×5=20)

2. Critically evaluate the Irwing Fisher's Quantity theory of money.

3. State the causes for the failure of Bretton Woods System.

4. State the essence of Gresham's law.

5. Explain in detail the causes of disequilibrium in the Balance of Payment.

6. Describe the evolution of International Monetary System.

7. 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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