

**First Semester M.Com. Degree Examination, Jan. 2008**  
**(2007-08 Scheme) (NS)**  
**COMMERCE**  
**1.2 : Monetary System**

Time : 3 Hours

Max. Marks : 80

**SECTION - A**

Answer **any ten** of the following sub-questions in about **3-4 lines each**. Each sub-question carries **2 marks** : **(2×10=20)**

1. a) What is money ?
- b) What is meant by Index number ?
- c) What is monetary standard ?
- d) What is proportional reserve system ?
- e) What is the system of note issue in India ?
- f) What are the components of BOP ?
- g) What is the feature you observe in rupee depreciation ?
- h) Who are the participants of International Financial Markets ?
- i) Define Euro Currency Market.
- j) What is Euro Bond Market ?
- k) What is devaluation ?

SECTION - B

Answer **any three** from the following. **Each** question carries **five** marks :

(3×5=15)

2. Critically evaluate the Irving Fisher's Quantity theory of money.
3. Distinguish between BOT and BOP.
4. Bring out the role of financial markets in India.
5. State the causes for the failure of Bretton Wood system.
6. What are the essentials of a sound currency system ?
7. Explain the role of IMF in International Monetary System.

SECTION - C

Answer **any three** from the following in about a page each. **Each** question carries **15** marks :

(15×3=45)

8. Explain in detail the functions of money.
  9. Explain how cash balance approach is superior than cash transaction approach. Critically evaluate.
  10. Bring out the role of international financial system in global era.
  11. Critically examine the recent developments in Forex Markets.
  12. Evaluate the evolution of monetary standard and state the essentials of sound currency system.
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**First Semester M.Com. Degree Examination, January/February 2009  
(2007-08 Scheme) (N.S.)**

**COMMERCE**

**1.2 : Monetary System**

Time: 3 Hours

Max. Marks: 80

**SECTION – A**

Answer any ten of the following sub-questions in about 3-4 lines each. Each sub-questions carries 2 marks. (2×10=20)

1. a) What is devaluation ?
- b) What is forex market ?
- c) What is B.O.P. ?
- d) Define value of money ?
- e) Who are the dealers in foreign currency market ?
- f) What are Index numbers ?
- g) What do you mean by capital account convertability
- h) What is S.D.R. ?
- i) What are future markets ?
- j) What do you mean by International liquidity ?
- k) Define flexible exchange rate.
- l) What is Fiat money ?

**SECTION – B**

Answer any three from the following. Each question carries 5 marks. (3×5=15)

2. Explain recent structural changes in the IMF.
3. What are the money market instruments ? Explain.
4. "Euro-Bond market is the International market for borrowing capital". Explain.
5. Elucidate Bretton Woods system.
6. Define money and explain its functions.



SECTION - C

Answer **any three** from the following in about a **page each**. Each question carries **15 marks**. (15×3=45)

7. Explain the International monetary reforms.
8. Explain various theories of value of money.
9. Explain the system of note issue highlighting the principles of note issue.
10. Comment on the recent financial crisis in the stock market and its implications on the foreign institutional investors.
11. Explain the recent developments in foreign capital flows.



I Semester M.Com. Degree Examination, February 2010  
(N.S.) (2007-08 Scheme)  
COMMERCE  
Paper – 1.2 : Monetary System

Time : 3 Hours

Max. Marks : 80

## SECTION – A

1. Answer **any ten** of the following sub-questions. **Each** question carries 2 marks. (2×10=20)
- Define the term 'money'.
  - What are the primary functions of money ?
  - What is mono metallism ?
  - What is near money ?
  - ~~e) What is SDR ?~~
  - State about maximum fiduciary system.
  - ~~g) What is meant by monetary standard ?~~
  - ~~h) What is meant by balance of payment ?~~
  - ~~i) What is Devaluation ?~~
  - What is a Euro Bond ?
  - ~~k) What is meant by current account convertibility ?~~
  - ~~l) What is meant by forex market ?~~

## SECTION – B

Answer **any three** questions from this Section. **Each** question carries 5 marks. (5×3=15)

- ~~2.~~ Briefly explain the functions of money.
3. Explain the types of monetary standards.
4. Explain briefly the heads of accounts under which the BOP is maintained.
5. Bring out the objectives of International Monetary fund.
6. Describe the methods of making foreign payments.



## SECTION – C

Answer **any three** questions from the following. **Each** question carries **15** marks. (15×3=45)

7. Explain in detail the causes of disequilibrium in the Balance of Payment. What measures to be taken to rectify them ?
  8. Explain the functions, borrowing and lending activities of IBRD. How far has it been successful in achieving them ?
  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. What is paper currency standard ? Discuss the standard system of note issue. Which is the present system of note issue in India ?
  11. Explain how cash balance approach is superior to cash transaction approach. Critically evaluate.
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I Semester M.Com. Degree Examination, February/March 2011  
(2007-08 Scheme) (N.S.)  
COMMERCE  
1.2 : Monetary System

Time : 3 Hours

Max. Marks : 80

SECTION – A

1. Answer any ten sub-questions from this Section. Each sub-question carries two marks. (2×10=20)

- a) What is meant by near money ?
- b) How do credit money is created ?
- c) What is meant by monetary standard ?
- d) What do you understand by Gresham's Law ?
- e) How notes are issued under Fixed Fiduciary System ?
- f) State two assumptions of Fisher's Quantity Theory of money.
- g) What do you mean by Balance Payment ?
- h) What are the items to be included under Capital Account ?
- i) Define the term Devaluation.
- j) What are the institutions started under Bretton Wood Agreement ?
- k) What do you mean by forward market ?
- l) Define - Hedging.



## SECTION – B

Answer **any three** questions from this Section. **Each** question carries **five** marks.

(5×3=15)

2. What is meant by Bimetallism ? What are its advantages ?
3. Give your arguments for and against a system of fixed exchange rates.
4. Write a note on Euro bond market.
5. Differentiate between devaluation and depreciation of money.
6. Bring out the nature and uses of SDRs by the member countries of the IMF.

## SECTION – C

Answer **any three** questions from this Section. **Each** question carries **15** marks.

(15×3=45)

7. Critically examine the role of money in different economies.
  8. What do you mean by circular flow of money ? Explain the circular flow of money in an economy. Use diagrams to illustrate your answer.
  9. Compare and contrast the transactions approach and cash balances approach of theory of money.
  10. Explain the concept of disequilibrium in the balance of payment. How does it arise ? What are the methods available to restore equilibrium ?
  11. What is paper currency standard ? Bring out its merits and demerits.
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**I Semester M.Com. Degree Examination, February 2012**  
**(N.S. (2007-08) Scheme)**  
**COMMERCE**  
**Paper – 1.2 : Monetary System**

Time : 3 Hours

Max. Marks : 80

## SECTION – A

Answer **any ten** of the following sub-questions in about **3-4** lines **each**. Each sub-question carries **2** marks. **(2×10=20)**

1. ~~a)~~ Define value of money.
- ~~b)~~ What do you mean by international liquidity ?
- ~~c)~~ What is devaluation ?
- ~~d)~~ What is meant by forex market ?
- e) What do you understand by precautionary motive ?
- f) Define Euro currency market.
- g) Differentiate between currency principle and banking principle.
- h) Give the meaning of flexible exchange rates.
- i) Who are the participants in financial markets ?
- ~~j)~~ What is meant by current account convertibility ?
- k) Define inflation.
- l) Give the meaning of gold bullion standard.

## SECTION – B

Answer **any three** questions. Each question carries **5** marks.

**(3×5=15)**

- ~~2.~~ Explain the functions of money.
3. What are the merits and demerits of a paper currency system ?
4. Discuss in detail Bretten Wood system.
5. Briefly explain the various money market instruments.
6. Explain circular flow of money in the economy.

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## SECTION – C

Answer **any three** from the following questions. **Each** question carries **15** marks. **(15×3=45)**

7. Explain the relationship between prices, employment and the quantity of money. Under what circumstances will prices rise equi-proportionately to increase the quantity of money ?
  8. What do you mean by gold standard ? Explain the different types of gold standards, also write about their advantages and disadvantages.
  9. What do you understand by 'fundamental disequilibrium in the balance of payments ? What remedies would you suggest to correct it ?
  10. Critically examine the salient features of the Indian money market. Write a note on the defects in Indian money market.
  11. Explain the recent development in forex markets.
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