

I Semester M.Com. Examination, January/February 2019

(CBCS)

COMMERCE

Paper – 1.1 : Monetary System

Time : 3 Hours

Max. Marks : 70

SECTION – A

(7×2=14)

Answer **any seven** sub questions. **Each** sub question carries **two** marks.

1. a) What is convertibility ?
- b) What is meant by Index number ?
- c) What is fully bodied money ?
- d) How notes are issued under proportional reserve system ?
- e) What do you mean by Gresham's Law ?
- f) What does it mean to a peg a currency to dollar ?
- g) Define creeping inflation.
- h) Differentiate between currency principle and banking principle.
- i) What is euro-currency ?
- j) Who are the participants in the financial market ?

SECTION – B

(4×5=20)

Answer **any four** questions. **Each** question carries **five** marks.

2. What do you mean by circular flow of money ? Explain the circular flow of money in an economy.
3. What are money market instruments ? Explain.
4. Distinguish between fixed and floating exchange rate system.
5. Explain balance of payments position of India.
6. Explain the elements of international financial system.
7. Explain taxation base increase through service sector inclusion.

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SECTION – C

(3×12=36)

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

8. Discuss the international monetary system.
 9. What do you mean by Gold standard ? Explain the different types of gold standards also write about their advantages and disadvantages.
 10. "Euro-Bond market is the international market for borrowing capital". Explain.
 11. Explain the impact of monetary policy on the economic growth of the country. Elaborate.
 12. Explain the raising public expenditures of India and suggest measures for economic development.
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