



First Semester M.Com. Examination, January/February 2018
(CBCS)

COMMERCE

Paper 1.1 : Monetary System

Time : 3 Hours

Max. Marks : 70

Instruction : Answer **all** Sections.

SECTION – A

(7×2=14)

1. Answer **any seven** sub questions. **Each** sub question carries **2** marks.

- a) What is Money ?
- b) Who are the Participants of International Financial Markets ?
- c) Define Hedging.
- d) State two reasons for the depreciation of rupee.
- e) What do you mean by Capital Account Convertibility ?
- f) What are the items to be included under Capital Account ?
- g) What do you mean by Wide Band in Exchange Rate System ?
- h) What do you mean by Target Zone Method used by Government ?
- i) What is Capital Flight ?
- j) What is ECB's ?

SECTION – B

(4×5=20)

Answer **any four** questions; **each** question carries **5** marks :

2. "Money is a Good Servant, but a Bad Master" Comment.
3. Explain briefly the heads of accounts under which the BOP is maintained.
4. Critically evaluate the Irving Fisher's Quantity Theory of Money.



5. Explain Bi-Metallion period in the evolution of International Monetary System.
6. Critically evaluate the Bretton Woods System.
7. Bring out the objectives of IMF.

SECTION – C

(3×12=36)

Answer **any three** questions; **each** question carries **12** marks :

8. 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.
 9. Explain how Keynes Restatement of Quantitative Theory of Money is different from Cambridge Approach.
 10. Explain the various stages of Evolution of International Monetary Standard.
 11. Explain in detail the principles and attributes of Note Issue.
 12. "The Increasing Popularity of Bitcoin Platform is drawing the attention of Regulatory Authority, which plans to gain a hold over Virtual Currency". Elucidate.
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