



PG – 565

**I Semester M.Com. Degree Examination, January 2017**  
**(CBCS)**  
**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) What is Fiat Money ? ✓
  - b) What are ECBs ?
  - c) Differentiate between Money and Near Money. ✓
  - d) What do you mean by Multimetallism ? ✓
  - e) What is Proportional Reserve System of Note Issue ?
  - f) What is Crawling Peg ? ✓
  - 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 Regulation "Q" in Euro Currency Market ?
  - j) What is Reimbursement Credit ? ✓

**SECTION – B**

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

- 2. What is money ? Trace the evolution of money.
- 3. Give the similarities and dissimilarities of the Quantity Theory of Money and Cambridge Cash Balance Theory.
- 4. State the differences between balance of trade and balance of payments .
- 5. Write a note on Reforms in Monetary Standards. ✓
- 6. How did the Classical Gold Standard work in practice ?
- 7. Distinguish between Devaluation and Depreciation of Currency.

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## SECTION - C

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

(3×12=36)

8. Critically examine the system of note issue in India.
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. Write a note on Greece Debt Crisis. Suggest the suitable measures to overcome such financial crisis in future.
11. What do you mean by BOP ? Explain the different kinds of disequilibrium in balance of payments.
12. "Demonetisation helps to restrain corruption in India". State your opinion on the move taken up by Central Government of India.