



ST. FRANCIS DE SALES COLLEGE

A FRANSALIAN INSTITUTE OF HIGHER EDUCATION AUTONOMOUS

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END SEMESTER EXAMINATION -APRIL 2025

COMMERCE - I SEMESTER M.COM

24MCO11: MONETARY SYSTEM

Time: 3 Hours

Max.Marks: 70

Instructions: Answer should be written completely in English

SECTION- A

1. Answer any SEVEN Questions. Each question carries TWO Marks.

(7X2=14)

- a. What is legal tender money?
- b. What is commodity money?
- c. Give two features of Gold standard.
- d. Mention two objectives of monetary standard.
- e. How notes are issued under Fixed Fiduciary system?
- f. Give the meaning of Crawling bands.
- g. What is hedging?
- h. Write a note on the Global financial system.
- i. What is current account in balance of payments?
- j. What is capital account convertibility?

SECTION -B

Answer any FOUR Questions. Each question carries FIVE Marks.

(4X5=20)

- 2. Explain the Cash balance approach to the value of money.
- 3. What are the constituents of money supply?
- 4. Explain in briefly the qualities of good system of note issue.
- 5. What is the difference between primary and secondary market?
- 6. What do you mean by debit and credit entries in Balance of Payment?
- 7. Describe the methods of making foreign payments.

SECTION- C

Answer any TWO Questions. Each question carries TWELVE Marks.

(2X12=24)

8. What is meant by value of money? Discuss the quantity theory of money.
9. What is meant by Bimetallism? What are its advantages and disadvantages?
10. Discuss the methods of correcting disequilibrium in balance of payments.
11. Discuss the arguments for and against fixed exchange rates.

SECTION-D

Compulsory skill based question on subject

(1X12=12)

12. RBI is planning to launch its own digital currency'. In this context bring out the potential opportunities and challenges, the country would be exposed to, with the introduction of digital currency.

