



PG – 590

I Semester M.Com. Degree Examination, March/April 2023
(CBCS Scheme) (2020 – 21 and Onwards)

COMMERCE
Paper – 1.1 : Monetary System

Time : 3 Hours



SECTION – A

Answer any **seven** questions out of ten. Each question carries **two** marks. (7×2=14)

1. a) What do you mean by commodity money ?
- b) Give the meaning of Bimetallic standard.
- c) Mention any four qualities of good monetary system.
- d) Give the meaning of Yankee bond.
- e) What are SDRs ?
- f) What do you understand by fixed exchange rate ?
- g) What is global financial system ?
- h) Who are custodians ?
- i) What is Flexible Exchange Rate System ?
- j) What do you mean by Digital Currency ?

SECTION – B

Answer any **four** questions out of six. Each question carries **five** marks. (4×5=20)

2. Briefly explain the circular flow of money.
3. Write down the significant roles of Money.
4. What is Smithsonian agreement ? Explain.
5. Write short note on Masala Bond.
6. Differentiate between fixed exchange rate and flexible exchange rate.
7. Briefly explain the achievements of IMF.

**SECTION – C**

Answer any two questions out of four. Each question carries twelve marks. (2×12=24)

8. Write a short note on :
 - a) Triffin's dilemma
 - b) Nixon shock.
9. Define Paper Currency Standard. Explain the system of note issues in India.
10. What do you mean by disequilibrium ? Explain the measures to control disequilibrium.
11. What is international financial market ? Who are the participants of international financial market ? Explain.

SECTION – D

Answer the following question. (1×12=12)

12. A developing country experiences a rapid increase in food prices due to a severe drought, leading to significant inflation.
 - What are the potential causes of this food price inflation, considering both supply-side and demand-side factors ?
 - Which segments of the population would be most vulnerable to this price increase, and why ?
 - What policy measures could the government implement to mitigate the impact of this food inflation ?