



Register Number:

Date: /10/2019

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27

M.COM - I SEMESTER

SEMESTER EXAMINATION: OCTOBER 2019

MCO 7218 – MONETARY SYSTEM

Time- 2 1/2 hrs

Max Marks-70

This paper contains two printed pages and four parts

SECTION- A

Answer any ten questions. Each question carries two marks.

(10x 2=20)

1. What is meant by paper money?
2. State any four essentials of sound currency system
3. Define monetary standard
4. What is bimetallism?
5. What is near money?
6. Give the meaning of ECB
7. What is meant by Foreign exchange?
8. State two principles of Friedman's restatement of quantity theory of money
9. What is devaluation of currency?
10. Define the term fiat money
11. What is SDR?
12. What is current account convertibility?

SECTION –B

Answer any three questions. Each carries five marks.

(3 x 5=15)

13. List out the functions of money
14. Write a note on Euro bond market
15. Distinguish between flexible exchange and fixed exchange system
16. Differentiate balance of trade from balance of payments
17. State the origin and objectives of IMF

SECTION –C

Answer any two questions. Each carries ten marks.

(2 x 10= 20)

18. Critically examine the main features of the Keynesian theory of money and prices.
19. What do you mean by disequilibrium in the balance of payments? Analyse various methods that a country can adopt to correct an adverse balance of payments.
20. Compare and contrast the forward and future market for foreign exchange

Section D: Compulsory question

(1x15=15 marks)

21. Discuss in details the various stages in evolution of international monetary system and also discuss in detail success and challenges of Bretton woods system
