



Shiksha Mandal, Wardha's  
**G. S. College of Commerce & Economics, Nagpur**

An Autonomous Institution  
(Affiliated to Rashtrasant Tukadoji Maharaj Nagpur University)  
Second Semester Bachelor of Commerce (Computer Application) Examination (CBCS)  
**MONETARY ECONOMICS**  
(BCCAC 2.2)

Time: 3 Hours

Maximum Marks: 80

N.B.: All questions are compulsory.

- Q.1 Answer the following question in about 150-200 words: 10  
A) Explain the concept & advantages of Gold standard.  
OR  
B) Discuss the advantages & disadvantages of proportional reserve system.
- Q.2 Answer the following question in about 150-200 words: 10  
A) Define 'Inflation' & explain its causes.  
OR  
B) Explain the effects of deflation.
- Q.3 Answer the following question in about 150-200 words: 10  
A) Discuss the importance of money market.  
OR  
B) Discuss the qualitative methods of credit control.
- Q.4 Answer the following question in about 150-200 words: 10  
A) Write the merits & demerits of proportional taxation system.  
OR  
B) Explain the principles of maximum social advantage.
- Q.5 Answer the following questions in about 75-100 words: (Any Two) 08  
A) Explain the types of money.  
B) What are the characteristics of paper currency?  
C) Point out the demerits of credit card.
- Q.6 Answer the following questions in about 75-100 words: (Any Two) 08  
A) 'Inflation is a lesser evil'. Comment.  
B) Write measures to control stagflation.  
C) Explain the effects of inflation on distribution of National Income.
- Q.7 Answer the following questions in about 75-100 words: (Any Two) 08  
A) Detail out the impact of monetary policy on economy.  
B) Mention the objectives of fiscal policy.  
C) What are the limitations of bank rate policy?

Q.8 Answer the following questions in about 75-100 words: (Any Two)

08

- A) Write a note on absolute & relative taxable capacity.
- B) Explain the factors influencing taxable capacity.
- C) Distinguish between direct & indirect tax.

Q.9 Answer the following questions in about 3 to 4 sentences.

08

- A) Define the concept of M2.
- B) What is the political effect of inflation?
- C) What do you understand by Treasury bill?
- D) Define public finance.

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