

MONETARY SYSTEM

Course Outcome:

1. Remembering:

- Define the concept of money and its importance in the monetary system.
- Recall the history and evolution of money, including its invention and evolution.
- Memorize the key terms and principles related to monetary systems such as the Circular Flow of Money and Gresham's Law.

2. Understanding:

- Explain the theories of value in the context of monetary systems.
- Understand Fisher's Transaction Approach and Friedman's Restatement in analyzing the value of money.
- Comprehend the concepts of Good Monetary System and SDR (Special Drawing Rights) or Paper Gold.

3. Applying:

- Apply the knowledge of the Classical Gold Standard and Smithsonian Agreement in analyzing historical monetary systems.
- Analyze the working of Flexible Exchange Rates in the international monetary system.
- Apply the understanding of financial markets, including the Euro Currency Market and Bond Market, in real-world scenarios.

4. Analyzing:

- Analyze the impact of BOP (Balance of Payments) and BOT (Balance of Trade) on a country's monetary system.
- Evaluate the concepts of Equilibrium and Disequilibrium in the context of monetary policies.
- Critically analyze the effects of Devaluation and Depreciation of Currency on the economy.

5. Creating:

- Develop recommendations for creating a good monetary system based on the theories and principles learned.
- Propose strategies for managing a country's international monetary relations effectively.
- Design solutions to address financial challenges in the global economy, such as managing exchange rate risks and maintaining stability in the monetary system.