

M.Com. DEGREE (CSS) EXAMINATION, JULY 2015**Fourth Semester**

Faculty of Commerce

Elective -- Finance

IFO 4E 01 – INTERNATIONAL FINANCE

(2012 Admission onwards – Regular/Supplementary)

Time : Three Hours

Maximum Weight : 30

Section A*Answer any five questions.**Each question carries 1 weight.*

1. Define exchange rate regime.
2. Define Balance of payment.
3. What do you mean by options?
4. Define International Monetary System.
5. What is International Liquidity?
6. What do you mean by foreign exchange risk?
7. What is Foreign INVESTMENT Analysis?
8. What is arbitrage?

 $(5 \times 1 = 5)$ **Section B***Answer any five questions.**Each question carries 2 weight.*

9. Explain the benefits of International Portfolio Investment.
10. What are the benefits and cost of FDI to Host country?
11. What are the emerging challenges in International Finance?
12. Differentiate between Absolute and relative PPP theory.
13. Explain briefly the IMF classification of Exchange Rate Regimes.
14. Define SDRs. Explain its features and uses.
15. What are the techniques of covering Foreign exchange risk by MNCs?
16. What are the different types of Swaps?

 $(5 \times 2 = 10)$ **Turn over**

Section C

*Answer any **three** questions.*

Each question carries 5 weight.

17. What are the different funding facilities through which IMF provides BOP support to member countries?
18. Define International Finance. Explain the features and scope of International Finance.
19. What are the functions and activities of IBRD? Critically evaluate the working of IBRD.
20. Explain the major theories of FDI.
21. Explain the various sources of International finance. Explain the criteria followed while raising funds from International Financial Market.
22. Explain the different types of derivatives with suitable examples.

(3 × 5 = 15)