

M.Com. HPP (FFS) Semester-4 Examination

CC-20

International Finance

Time : 2-30 Hours]

April-2023

[Max. Marks : 70

- Q.1 Explain the structure of Balance of Payment. 14
OR
- Q.1 Define International Financial Management. Discuss the functions of International Financial Management. 14
- Q.2 What is Foreign Exchange? Discuss the characteristics and participants of Forex Market. 14
OR
- Q.2 Explain the term Foreign Exchange Exposure. Discuss the various types of exposure. 14
- Q.3 Define F.D.I. Explain in brief cost and benefits of F.D.I 14
OR
- Q.3 Discuss Problem of International Investment. 14
- Q.4 Write note on The World Bank. 14
OR
- Q.4 Discuss changing structure of International Finance Market. 14
- Q.5 Attempt any Seven out of Twelve: 14
1. A _____ is an enterprise that owns and controls production or service facilities outside the country in which it is based.
 - a) International firm
 - b) Multinational corporations
 - c) Foreign unit
 - d) Global unit
 2. _____ including the market for derivatives and all the different types of transactions concluded in these markets.
 - a) Foreign capital market
 - b) Money market
 - c) Capital market
 - d) Foreign exchange market
 3. According to the absorption approach, BOP adjustment in a situation of full employment can be brought about through _____.
 - a) Increase in output
 - b) Decrease in absorption
 - c) Increase in input
 - d) Increase in production
 4. In which year WTO is established?
 - a) 1991
 - b) 1998
 - c) 1995
 - d) 1990

5. _____ contract is a forward contract with a maturity of not a whole month.
 - a) Future
 - b) Swap
 - c) Forward
 - d) Broken-date
6. Domestic currency tends to depreciate owing to _____.
 - a) High inflation rate
 - b) Lowering of inflation rate
 - c) Constant inflation rate
 - d) None of the above
7. _____ is the day on which the traded currency is delivered.
 - a) Settlement date b) Expiry date
 - c) Entry date d) Purchase date
8. _____ means buying and selling a currency forward depending up on differing exchange rates for differing maturities.
 - a) Forward swap
 - b) Backward swap
 - c) Future swap
 - d) Currency swap
9. A _____ gives the home-currency price of a certain amount of foreign currency.
 - a) Direct Quote
 - b) Indirect Quote
 - c) Bid
 - d) None of the above
10. _____ design the exchange rate regime and promoting international liquidity.
 - a) FDI b) IMF
 - c) Stock exchange d) None of the above
11. Optimal portfolio of investment means _____
 - a) Lowest return with a given risk
 - b) Highest return with a given risk
 - c) Lowest return with the highest risk
 - d) All of the above
12. _____ bonds are denominated in the currency of the country where they are issued.
 - a) Euro bonds
 - b) Commercial bonds
 - c) Government bonds
 - d) Foreign bonds

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