

Seat No. : _____

SE-117

September-2020

M.Com., Sem.-IV (HPP)

**CC-20 : International Finance
(Financial and Financial Services)**

Time : 2 Hours]

[Max. Marks : 50

- Instructions :**
- (1) All Questions in Section I carry equal marks.
 - (2) Attempt any **two** questions in Section I.
 - (3) Question No. **5** in Section II is compulsory.

SECTION-I

1. (a) Explain the scope of International Financial Management. **(10)**
(b) Write a note on IMF solution for financial crisis. **(10)**
2. (a) Discuss Foreign Exchange Market. **(10)**
(b) Explain need for Hedging. **(10)**
3. (a) Write a note on Sensitivity Analysis. **(10)**
(b) Explain problems of International Investment. **(10)**
4. (a) Explain channels for International Flow of Funds. **(10)**
(b) Discuss Nature of Interest – Rate Exposure. **(10)**

SECTION-II

5. Select appropriate alternative from given choices : (any **five**) **(10)**
 - (1) Distinction between overall exports and imports is related to
 - (a) factor income
 - (b) balance of trade
 - (c) transfer payments
 - (d) account balance
 - (2) IMF was established in
 - (a) 1941
 - (b) 1943
 - (c) 1945
 - (d) 1944

- (3) _____ rate refers to the price of one currency against another currency.
(a) Exchange (b) Derivative (c) Discount (d) None
- (4) Exchange rates
(a) are always fixed
(b) fluctuate to equate the quantity of foreign exchange demanded with the quantity supplied
(c) fluctuate to equate imports and exports
(d) fluctuate to equate rates of interest in various countries
- (5) The date of settlement for a foreign exchange transaction is referred to as
(a) clearing date (b) swap date (c) maturity date (d) value date
- (6) Which of the following is not a type of foreign exchange exposure ?
(a) Economic exposure (b) Transaction exposure
(c) Balance sheet exposure (d) Tax exposure
- (7) Amount of money by which the total revenues exceed the breakeven revenues is classified as
(a) margin of safety (b) margin of profit
(c) margin of loss (d) margin of income
- (8) More expansion of foreign direct investment can boost
(a) money circulation (b) demand
(c) employment (d) unemployment
- (9) Nations that have major economic expansion attract
(a) imports (b) exports
(c) direct foreign investment (d) privatization
- (10) Classical interest rate theory states that rising interest rates will
(a) increase the demand for money (b) decrease the demand for money
(c) decrease investment expenditures (d) increase the quantity of saving
- (11) Financial account was earlier called as
(a) capital account (b) current account
(c) factor income (d) liability account
- (12) Which of the following is used for International Monetary Transfer ?
(a) RTGS (b) NEFT (c) SWIFT (d) None
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