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**0604N117**

Candidate's Seat No : \_\_\_\_\_

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

**CC-20**

**International Finance**

**Time : 2-30 Hours]**

**April-2024**

**[Max. Marks : 70**

- Q.1 Explain the structure of Balance of Payment. 14  
OR
- Q.1 Define International Financial Management. Discuss the modes of International Business. 14
- Q.2 What is Foreign Exchange? Discuss the characteristics and participants of Foreign Exchange Market. 14  
OR
- Q.2 Define Foreign Exchange Exposure. Explain transaction exposure and translation exposure. 14
- Q.3 Define F.D.I. Explain in brief cost and benefits of F.D.I. 14  
OR
- Q.3 Write a note on evaluation and management of political risk. 14
- Q.4 Write note on The World Bank. 14  
OR
- Q.4 Write a note on International Finance corporation (IFC) 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                      c) Multinational corporations  
b) Foreign unit                              d) Global unit
  2. \_\_\_\_\_ Contract is a forward contract with a maturity of not a whole month.  
a) Future                                      c) Swap  
b) Forward                                      d) Broken-date
  3. \_\_\_\_\_ is the day on which the traded currency is delivered.  
a) Settlement date                      c) Expiry date  
b) Entry date                              d) Purchase date

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4. \_\_\_\_\_ including the market for derivatives and all the different types of transactions concluded in these markets.
- a) Foreign capital market
  - b) Capital market
  - c) Money market
  - d) Foreign exchange market
5. 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
6. According to the absorption approach, BOP adjustment in a situation of full employment can be brought about through \_\_\_\_\_.
- a) Increase in output
  - b) Increase in input
  - c) Decrease in absorption
  - d) Increase in production
7. \_\_\_\_\_ is the weighted average of the expected return from different securities existing in the portfolio.
- a) Expected return
  - b) Investment return
  - c) Portfolio return
  - d) Securities return
8. Give full form of IBRD \_\_\_\_\_
- a) International bank for reconstruction and development
  - b) Internal bank for reconstruction and development
  - c) Intra bank for restructure and development
  - d) International bank for restore and development
9. \_\_\_\_\_ bonds are denominated in the currency of the country where they are issued.
- a) Euro bonds
  - b) Government bonds
  - c) Commercial bonds
  - d) Foreign bonds
10. Export of goods effects flow of foreign exchange in to the country, while import of goods causes outflow of foreign exchange from the country. The difference between the two is known as \_\_\_\_\_.
- a) Balance of payment
  - b) Balance of trade
  - c) Balance of account
  - d) Balance of receipts
11. \_\_\_\_\_ Risk is concerned with default risk when loans are not repaid.
- a) Liquidity
  - b) Basis
  - c) Credit
  - d) Optimality
12. \_\_\_\_\_ Rate between two currencies is found out through their value in a common currency.
- a) Direct Exchange
  - b) Multi Exchange
  - c) Indirect Exchange
  - d) Cross Exchange

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