

M.Com. DEGREE (CSS) EXAMINATION, JUNE 2016

Fourth Semester

Faculty of Commerce

Elective – Finance

IF 04E 01 – INTERNATIONAL FINANCE

[2012 Admissions – Regular]

Time : Three Hours

Maximum Weight : 30

Part A

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

1. What is co-financing?
2. What do you mean by Balance of payment?
3. What is exchange pegging?
4. What is meant by arbitrage?
5. Define current account convertibility.
6. What is Bilateral Netting System?
7. What do you mean by FDI?
8. Explain LIBOR.

(5 × 1 = 5)

Part B

*Answer any five questions.
Each question carries 2 weight.*

9. Describe the exchange rate arrangements that are permitted by IMF.
10. Distinguish between Fixed and Flexible exchange rate mechanism.
11. Briefly state the features of International Finance.
12. Enumerate the various problems and issues in foreign investment analysis.
13. What do you mean by the term international cash management? Briefly elucidate its objectives.
14. What is meant by MNC? Explain the role of financial manager in MNC's.
15. What are the basic objectives of an effective international cash management?
16. Explain the various components of BOP.

(5 × 2 = 10)

Turn over

Part C

Answer any three questions.

Each question carries 5 weight.

17. Discuss the various methods which MNC's adopt to increase international business.
18. Trace the evolution of the International Monetary System.
19. What do you understand by the term International Cash Management? Explain the various ways by which cash inflows can be optimised.
20. Discuss the recent trends in international finance and trade.
21. Write short notes on :
 - (a) PPP Theory.
 - (b) Covered Interest Arbitrage Theory.
 - (c) International Fisher Effect Theory.
22. Explain the goals and functions of the World Bank, the IDA and IFC.

(3 × 5 = 15)