

**G 2053**

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Reg. No.....

Name.....

**M.Com. DEGREE (C.S.S.) EXAMINATION, JULY 2014**

**Fourth Semester**

Faculty of Commerce

Elective-Finance

**IF 04 E01—INTERNATIONAL FINANCE**

(2012 Admissions—Regular)

Time : Three Hours

Maximum Weight : 30

**Section A**

*Answer any five questions.*

*Each question carries 1 weight.*

1. What is exchange risk ?
2. What is Liberalised Exchange Rate Management System (LERMS) ?
3. What is "Triffin Paradox" ?
4. What is gold standard ?
5. What are accomodating transactions ?
6. What is European currency unit ?
7. What are currency forwards ?
8. What is meant by corporate strategy ?

(5 × 1 = 5)

**Section B**

*Answer any five questions.*

*Each question carries 2 weights.*

9. Define European Monetary System. What are the objectives of European Monetary System (EMS) ?
10. What are the facilities provided by IMF to the member countries ?
11. What do you mean by disequilibrium in BOP ? What are its causes ?
12. What are the guiding principles by IBRD for lending ?

**Turn over**

13. Briefly explain the different exchange rate regimes or systems.
14. State the International Fisher Effect theory. What is the rationale for the existence of IFE theory ?
15. What are the important techniques of exchange rate forecasting ?
16. Distinguish between International finance and Domestic finance.

(5 × 2 = 10)

### Section C

*Answer any **three** questions.  
Each question carries 5 weights.*

17. Explain the PPP theory and the rationale behind it. What causes deviations from PPP ?
18. Explain the evolution of International Monetary System.
19. Briefly explain the operation or working of IMF.
20. Define BOP identity. Explain briefly the accounting principles in BOP statement.
21. What are the complexities and issues involved in managing financial functions in MNCs ?
22. What are the basic problems involved in the optimisation of international investment portfolio ?

(3 × 5 = 15)