



K24P 0342

Reg. No. :

Name :

**IV Semester M.Com. Degree (C.B.S.S. – Reg./Supple.-(One Time Mercy
Chance)/Imp.) Examination, April 2024
(2014 Admission Onwards)**

Elective – A : FINANCE

COM 4E02 : International Financial Management

Time : 3 Hours

Max. Marks : 60

SECTION – A

Answer **any four** questions in this Section. **Each** question carries **1** mark for Part **(a)**, **3** marks for Part **(b)** and **5** marks for Part **(c)**.

1. a) Compare the terms, 'Deficit' and 'Surplus' in the BOP Statement.
b) "International Financial Management is a very challenging task". Justify.
c) Give an account of different sources of International funds in the market.
2. a) What is meant by 'Offshore- Financing' ?
b) Comment on the terms : (i) Cross rates (ii) Bid-Offer Spread (iii) Straddle.
c) How do Options differ from Forwards ?
3. a) Differentiate between the 'Call Option' and the 'Put Option'.
b) "The strength and weakness of a currency depend upon the economic factors of a nation". Substantiate.
c) How does IMF raise financial resources for its lending activities ?
4. a) Who are 'Foreign Institutional Investors' ?
b) What are the benefits derived by a company through International Equity Financing ?
c) Briefly explain the different strategies adopted in FDI.

P.T.O.



5. a) What is the basic difference between 'Nostro' and 'Vostro' Accounts ?
b) Distinguish between Capital Account Convertibility and Current Account Convertibility of the Indian Rupee.
c) "ADB focuses its efforts on five drivers of change in the region". Discuss.
6. a) What are 'Special Drawings Rights' ?
b) Compare FERA and FEMA.
c) Enumerate the salient features of the Bretton Woods System of Exchange Rates.

(4×9=36)

SECTION – B

Answer the **two** questions in this Section. **Each** question carries **12** marks.

7. a) Define International Financial Market. Describe its scope and importance in detail.
- OR
- b) Summarise the differences between FDI and FPI. Also, describe the determinants of FDI in detail.
8. a) Consider a situation where the interest rates in India and the USA are 10% and 6% respectively and the dollar-rupee spot exchange rate is ₹ 82.73/US \$. Calculate the 90-day forward exchange rate based on the Interest Rate Parity Theory.
- OR
- b) "The World Bank has been playing an important role in the global policy arena". Do you agree ? Evaluate the major activities of the World Bank.

(2×12=24)