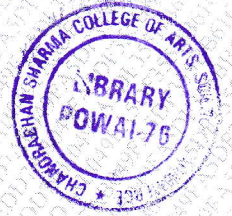


Duration : 2 ½ Hours

Marks : 75



Notes : Figures to the right indicate full marks

Q1. A Multiple choice questions (Answer any eight)

8

1. International finance is an important tool.....
 - a. To find the exchange rates
 - b. Compare inflation rates
 - c. Ascertain the economic status of other countries
 - d. All of the above
2. The collapse of the following system is related to Triffins paradox
 - a. Gold Standard
 - b. Bretton Woods
 - c. Snake in the Tunnel
 - d. None of the above
3. Exchange rate system where the central bank intervenes to smoothen out the exchange rate fluctuation is
 - a. Free Float
 - b. Managed Float
 - c. Fixed Exchange Rate system
 - d. Dollarisation
4. The bank which opens the letter of credit in favor of the beneficiary is
 - a. Issuing Bank
 - b. Advising Bank
 - c. Confirming Bank
 - d. Nominated Bank
5. Foreign Exchange Transactions in India are regulated by
 - a. FEDAI
 - b. FIMMDA
 - c. FEMA
 - d. AMFI
6. A negotiable instrument issued by the international depository bank representing foreign company's stock trading globally
 - a. GDR
 - b. IDR
 - c. ADR
 - d. None of the above
7. Which of the following are foreign bonds
 - a. Samurai Bond
 - b. Bull dog bond
 - c. Yankee Bond
 - d. All of the above
8. The first stage in the process of loan syndication
 - a. Mandate
 - b. Pre mandate
 - c. Disbursement
 - d. Post disbursement

9. The risk that a government may default its debt obligation
 - a. Political risk
 - b. Sovereign risk
 - c. Transfer risk
 - d. Transaction risk

10. The act of trading in different currencies is called
 - a. Foreign Exchange
 - b. Arbitrage
 - c. Foreign Trade
 - d. Exports

- B.** State whether the following statements are True or False (Any Seven) 7
1. If import is more than export, at that time BOT will be unfavorable
 2. International Monetary Fund was given the task of implementing and monitoring gold standard.
 3. In the floating exchange rate system, government officials strive to keep the exchange rate pegged.
 4. Euro Currency loans carry a variable interest rate.
 5. ADR and GDR are commonly used by Indian Companies to raise funds from Foreign Capital Market.
 6. Zero Coupon bonds pay coupon interest annually.
 7. Speculators try to profit from simultaneous exchange rate difference in different markets.
 8. Increase in interest rate causes a country's currency to appreciate.
 9. Bitcoin became the first decentralisd crypto currency in the year 2000.
 10. In 1973, the reform of the international monetary system resulted in the change from adjustable pegged rates to managed float rates.

Q2. A Define International Finance and discuss its scope. 8

B Explain in brief the components of Balance of Payments. 7

OR

C Define Fixed Exchange rate system. How is it different from flexible exchange rate system? 8

D Discuss the reasons for collapse of Bretton woods system. 7

Q3. A Explain the concept of Euro Currency. What are its advantages and disadvantages? 8

B Discuss the problems and prospects of having offshore banking units in India. 7

OR

C Define GDR and explain the issue mechanism of GDR. 8

D What are the different types of Euro Bonds? 7

Q4. A What are the various internal and external hedging techniques used in forex market? Explain in brief. **8**

B Discuss the structure of Indian Forex Market. **7**
OR

C Given USD /CAD 1.1620 SPOT **8**
 USD/CAD 1.1640 3 months forward
 USD Interest rate 4% p.a
 CAD Interest rate 5 % p.a
 Identify and Calculate Interest rate arbitrage.

D. Calculate the rate of the following currencies against INR **7**

	BID	OFFER
1 USD	40.60	40.90
1 GBP	USD 3.0200	3.0311
1 EUR	USD 1.5090	1.5200
1 USD	JPY 114.907	115.911

Q5. A Explain in brief the functions of International Banking. **8**

B Explain the stages in loan syndication. **7**
OR

C Write Short Notes on (Any Three) **15**
 a. Role of Credit Rating Agencies
 b. Types of Crypto Currency
 c. Difference between Letter of Credit and Guarantee
 d. Features of FERA
 e. SWIFT