D 143085 **(Pages : 2)** **Name.......................................**

Reg. No...................................

FOURTH SEMESTER M.Com. DEGREE (REGULAR/SUPPLEMENTARY) EXAMINATION, APRIL 2026

(CBCSS)

Master of Commerce

MCM 4E (F) 03/MCM 4E (FT) 03—INTERNATIONAL FINANCE

(2019 Admission onwards)

Time : Three Hours Maximum : 30 Weightage

Answer should be written in English only.

Part A

Answer any **four** *questions.*
Each question carries 2 *weightage.*

1. What is Foreign Exchange Market ?
2. What do you meant by International Liquidity ?
3. What do you mean by BOT ?
4. What is International Inventory Management ?
5. What is Purchasing power parity ?
6. What do you mean by International Finance Corporation ?

(4 × 2 = 8 weightage)

Part B

Answer any **four** *questions.*
Each question carries 3 *weightage.*

7. What do you mean FDI ? And explain the different types of FDI.
8. Write short note on interest rate exposure.
9. Explain Fixed exchange rate management system.
10. Differentiate between Current Account and Capital Account.

Turn over

11. What are the major objectives of IBRD ?

12. Explain the factors affecting International Financial Environment.

13. Explain the Foreign Exchange Risk Management.

14. Explain different types of Accounts in BOP.

(4 × 3 = 12 weightage)

Part C

Answer any **two** *questions.*
Each question carries 5 *weightage.*

15. Write a short note on various International Financial Institutions and explain the objectives of International Financial Institutions.

16. What do you mean by Exchange Rate Theories ? and explain different types of Theories of Exchange Rate.

17. Write a short note on :
    a) International Capital Market.
    b) SWIFT Mechanism.
    c) International Investments.

18. What is currency convertibility ? Explain its importance as an aspect of a country's exchange rate policy ?

(2 × 5 = 10 weightage)

D 143085–A **(Pages : 4)** **Name.......................................**

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Master of Commerce

MCM4E(F)03/ MCM4E(FT)03—INTERNATIONAL FINANCE

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 20 Minutes	**Total No. of Questions : 20**	**Maximum : 5 Weightage**

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

MCM4E(F)03/ MCM4E(FT)03—INTERNATIONAL FINANCE

(Multiple Choice Questions for SDE Candidates)

1. Which of the following statements is true about the Floating Exchange Rate System ?
   - (A) It is determined by the Government of a country.
   - (B) It is stable for a long period of time.
   - (C) It varies according the market forces.
   - (D) It is determined by the Central Bank of the country.
2. Which of the following is the reason for Covered Interest Rate Parity.
   - (A) The actions of market-makers.
   - (B) Interest rate arbitrage.
   - (C) Stabilizing speculation.
   - (D) Purchasing power parity.
3. International finance is concerned with ————.
   - (A) Exchange rates of currencies.
   - (B) Monetary systems of the world.
   - (C) Foreign direct investment.
   - (D) All of the above.
4. The taxes levied on goods that are leaving the national territory to a foreign country.
   - (A) The Export Taxes.
   - (B) The Export Subsidies.
   - (C) Repatriation Taxes.
   - (D) International Taxes.
5. ———— is not a characteristic of speculation.
   - (A) Hedging.
   - (B) Risk taking.
   - (C) Profit motive.
   - (D) Exchange rate fluctuation.
6. Which financial institution holds the responsibility of FEMA.
   - (A) State government.
   - (B) RBI.
   - (C) Central Government.
   - (D) IRBD.
7. An increase in FDI can boost ———— in the country.
   - (A) Demand.
   - (B) Money circulation.
   - (C) Employment.
   - (D) Unemployment.

8. The Year in which IMF was established ——————.

   (A) 1995. (B) 1944.

   (C) 1993. (D) 1996.

9. Which of the following is not an objective of WTO ?

   (A) To resolve trade disputes.

   (B) To set and enforce rules for international trade.

   (C) To provide a forum for negotiating and monitoring further trade liberalization.

   (D) To induce long term capital investment for assuring BOP equilibrium and balanced development of international trade.

10. The year in which Gold Standard Exchange Rate System was abandoned by Britain ——————.

    (A) 1931. (B) 1944.

    (C) 1876. (D) 1945.

11. A project is said to be in breakeven if ——————.

    (A) NPV is equal to zero. (B) NPV is greater than zero.

    (C) NPV is lesser than zero. (D) None of the above.

12. What happens when the value of one currency rises relative to another currency ?

    (A) The currency appreciates.

    (B) The currency depreciates.

    (C) The currency remains stable.

    (D) The currency is removed from market.

13. Which of the following is also termed as Corporate Bond ?

    (A) Unregistered Bond. (B) Registered Bond.

    (C) Indenture Bond. (D) Trustee Bond.

Turn over

14. What it is the termed used for Foreign Bonds issued in Japan ?

    (A) Dragon Bonds. (B) Panda Bonds.

    (C) Samurai Bonds. (D) Dim sum Bonds.

15. Who among the following options are the participants of Foreign Exchange Markets ?

    (A) Forex Dealers. (B) Brokers.

    (C) Speculators. (D) All of the above.

16. The process of taking advantage of the price difference of the same currency.

    (A) Arbitrage. (B) Differential.

    (C) Currency advantage. (D) Price Fixing.

17. Which of the following is not an established method of translation ?

    (A) Current Rate Method. (B) Monetary/Non-Monetary method.

    (C) Temporary Method. (D) Current/Non-Current Method.

18. Full form ASEAN is :

    (A) Association of Southeast Asian Nations.

    (B) Association of South Asian Nations.

    (C) Alliance of Southeast Asian Nations.

    (D) Assembly of South Asian Nations.

19. Another term for Primary Market is :

    (A) Stock Market. (B) Aftermarket.

    (C) Securities Market. (D) New Issue Market.

20. The Gold Standard was established after the :

    (A) The Brettonwoods Conference. (B) The First World War.

    (C) The Second World War. (D) The Triffin Paradox.