



Avinashilingam Institute for Home Science and Higher Education for Women
(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)
Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B
Coimbatore - 641 043, Tamil Nadu, India

Master's Degree Examination – June 2021
IV Semester

Class : II M.Com
Major : Commerce

Time: 3 hours
Max. Marks: 100

17MCOC24A – Finance – International Financial Management

Part A

10 x 1 = 10

Choose the correct answer

1. Nation that have major economic expansion attract
a. import b. export c. DFI d. private (K1)
2. Gifts and reliefs are
a. merchandize payment b. service payment (K2)
c. factory payment d. transfer payment
3. The world's four major trading currencies are all free to float against each other. They include all the following except (K1)
a. British pound b. Japanese yen c. Spanish peso d. US Dollar
4. Type of risk in which value of liabilities and assets is affected by exchange rate is classified as (K1)
a. economic rate b. foreign exchange risk
c. selling rate d. buying rate
5. Bid quote is for (K2)
a. Seller b. buyer c. hedger d. speculator
6. International capital market (K3)
a. innovative financial instruments b. information technology
c. deregulation d. foreign exchange rate
7. A simultaneous purchase and sale of foreign exchange for two different dates (K3)
a. currency devalue b. currency swap c. currency valuation d. currency exchange
8. IMF established (K4)
a. Dec 27 1945 b. Dec 27 1946 c. Dec 1 1945 d. Sep 27 1946
9. Balance of payment of a country includes (K3)
a. balance of trade b. capital receipt and payment
c. savings and investment account d. both (a) & (b)
10. ----- helps countries to meet deficit in BOP (K2)
a. IMF b. WTO c. World bank d. UNO

Part B
Answer ALL questions
Each answer should not exceed 400 words or two pages

5 x 6 = 30

11. a. Explain the evaluation of international financial system. (K1)
(or)
11. b. What is the role and functions of international monetary fund? (K1)
12. a. What is foreign exchange market ? Explain its role and structure. (K2)
(or)
12. b. Define balance of payment (BOP) and explain the recent trends in BOP. (K1)
13. a. Discuss about FDI and explain the forwards, futures options agreements. (K3)
(or)
13. b. What is international tax? Explain the different types of international taxation. (K2)
14. a. Write about ADR and GDR. (K3)
(or)
14. b. Explain the working capital policies. (K4)
15. a. Explain the mode and the source of import finance. (K3)
(or)
15. b. Explain types of swaps .how they are useful to hedge the currency exposure. (K4)

Part C
Answer ALL questions
Each answer should not exceed 800 words or four pages

5 x 12 = 60

16. a. Compare and discuss the international financial management and domestic financial management. (K1)
(or)
16. b. Explain the development in international monetary system. (K2)
17. a. Explain the factors influencing the exchange rate. (K2)
(or)
17. b. What are the major functions of the foreign exchange market? (K3)
18. a. Explain the international taxation methods. (K3)
(or)
18. b. Explain the role of IMF in international monetary system. (K4)
19. a. Describe the features of ADR and GDR and suggest the measures to develop the market for IDR. (K4)
(or)
19. b. Explain the significance of Eurocurrency and Eurobonds. (K3)
20. a. Explain pre shipment and post shipment finance in export finance. (K2)
(or)
20. b. Explain the role of EXIM bank. (K2)
