

TM154140A

Reg. No:.....

Name:.....

M. COM. DEGREE (C.S.S.) EXAMINATION, MARCH 2017
SEMESTER IV – COMMERCE
CO4EA1TM - INTERNATIONAL FINANCE

Time: Three Hours

Maximum Marks: 75

PART A

I. Answer any five questions. Each question carries 3 marks.

1. What is Exchange rate?
2. What is Fisher's Effect?
3. What are the assumptions of Law of One price?
4. What is Unsystematic Risk?
5. What is a Foreign Exchange Market?
6. What is European Monetary System?
7. What is Currency arbitrage?

(5x3=15)

PART B

II. Answer any six questions. Each question carries 5 marks.

8. Write short notes on Translation exposure.
9. What are the advantages and disadvantages of NPV method on evaluating an investment proposal?
10. What are the objectives of Inventory management?
11. What is Purchasing Power Parity Theory?
12. What is pegged exchange rate system?
13. Write short notes on Optimal Portfolio Selection
14. Explain the effects of economic integration.
15. What are the principles of Working capital management Policy?
16. Write short note on monetary approach to exchange rate.

(6x5=30)

PART C

III. Answer any two questions. Each question carries 15 marks.

17. Define Balance of payment. Discuss the components of Balance of payment account.
18. What is a Multinational Corporation? Explain the investment strategies that can be adopted by Multinational Corporations.
19. Explain the stages in development of international monetary systems.
20. Discuss the nature and scope of International Finance. Comment on the recent changes that have contributed to the evolution of International Finance.

(2x15=30)