

MASTER'S DEGREE (C.S.S) EXAMINATION, MARCH 2025
2020, 2021, 2022 ADMISSIONS SUPPLEMENTARY
SEMESTER IV - CORE COURSE ECONOMICS
EC4C16TM20 - International Finance

Time : 3 Hours**Maximum Weight : 30****Part A****I. Answer any Eight questions. Each question carries 1 weight****(8x1=8)**

1. Describe a Eurodollar market.
2. Define depreciation of a currency. How does it affect exports and imports?
3. What is demand for money according to monetary approach to bop?
4. What are the different types of BoP disequilibrium?
5. Mention the different time lags in devaluation adjustment process.
6. Compare and contrast expansionary fiscal policy and contractionary fiscal policy.
7. Describe speculative demand for money.
8. How did Greece cause Euro-zone crisis?
9. Give an account of IBRD.
10. Comment on the relevance of ILO.

Part B**II. Answer any Six questions. Each question carries 2 weight****(6x2=12)**

11. Examine the theory of optimum currency area. How does its formation benefit nations?
12. Using diagram explain gold export point and gold import point.
13. What are the different measures to correct BoP disequilibrium?
14. Analyse multiplier effect of autonomous increase in imports on National income.
15. Discuss important economic goals of nations. What policy instruments are followed to achieve them?
16. Outline IS-LM-BP model with unemployment and perfect capital mobility under flexible exchange rates.
17. Why is it important for a country to have foreign capital?
18. Which are the different forms of foreign capital. Comment about its presence in Indian economy.

Part C**III. Answer any Two questions. Each question carries 5 weight****(2x5=10)**

19. Critically evaluate the purchasing power parity theory of exchange rate. Use examples to illustrate the concepts.
20. Illustrate structure and composition of BoP accounts and discuss various measures to correct disequilibrium in balance of payments.
21. Describe how internal and external balance can be attained with monetary and fiscal policies under fixed exchange rate system.
22. Elaborate on international capital movements. Have they been successful in bringing about development of a nation.