

26023832



Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, MAY 2026

Fourth Semester

Faculty of Commerce

Elective—Finance

IF04E01—INTERNATIONAL FINANCE

(2016—2018 Admissions—Mercy Chance)

Time : Three Hours

Maximum Weight : 30

Section A

*Answer any **five** questions
Each question carries a weight of 1.*

1. Define international finance and explain its features.
2. What is Foreign Portfolio Investment ? Give two examples.
3. What are the characteristics of the Gold Standard ?
4. Define international liquidity and explain its importance.
5. What is foreign exchange risk and state its causes ?
6. Explain the concept of arbitrage in the foreign exchange market.
7. Explain the importance of cash management in international business.
8. What are the causes of disequilibrium in India's Balance of Payments ?

(5 × 1 = 5)

Section B

*Answer any **five** questions
Each question carries a weight of 2.*

9. Briefly discuss the important features of the Bretton Woods System and the reasons for its breakdown.
10. What is floating exchange rate system? Discuss its advantages and disadvantage.

Turn over





26023832

11. What is European Monetary System ? What are its objectives ?
12. Write a short note on :
 - (a) Smithsonian Agreement.
 - (b) Pegged exchange rate.
13. Briefly describe the methods of covering foreign exchange risk used by MNC's.
14. Explain the Fisher Effect in the international financial markets.
15. Define currency forecasting and discuss its importance in international finance.
16. Discuss the importance and sources of short-term international financing.

(5 × 2 = 10)

Section C

*Answer any **three** questions.*

Each question carries a weight of 5.

17. Discuss the role of the IMF in promoting international monetary cooperation.
18. Explain the role of MNCs in international finance and trade.
19. Define FDI and explain the factors influencing its flows into a country.
20. Explain the PPP Theory and discuss its relevance in modern international finance.
21. Evaluate the contribution of the World Bank to international economic development.
22. What is working capital management ? Explain the challenges of managing working capital in an international environment.

(3 × 5 = 15)

