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PKC/PG/IVS/ON/COM-402/21

2021

M.Com

4th Semester Examination

International Financial Management

PAPER – COM – 402

Full Marks: 50

Time: 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

UNIT- I

Answer any two of the following questions (2 X 10 Marks)

1. State the similarities and dissimilarities between forward and swapcontracts. 10
2. Briefly explain major factors influencing exchange rate in India. 10
3. (a) Explain with examples the differences between Arbitrage and Hedging.
(b) The rates of exchange are: US\$ 2.0000-2.0100 in New York and US\$ 1.9800-1.9820 in London. Explain how the arbitrageurs will gain. (5+5) = 10
4. How can Purchasing Power Parity (PPP) theory explain the influence of inflation on the exchange rate? Also explain the absolute and relative versions of the PPP theory in this context (5+5) = 10

UNIT- II

Answer any two of the following questions (2 X 10 Marks)

5. Explain fixed and floating exchange rates with suitable examples. 10
6. Discuss the various risks involved in international projects and describe the methods for assessing those risks. (5+5) =10
7. (a) Distinguish between GDR and ADR.
(b) What is a Euro-bond? Give a brief description of each of the different types of Euro-bonds. (5+5) = 10
8. Give a brief account of different types of exposures. How can firms manage their economic exposure in international transactions? (7+3) = 10

(Internal Assessment: 10 Marks)

(Send your answer script in PDF format to the email id - pgcom@pkcollegecontai.ac.in)