

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MCom(IB) DEGREE EXAMINATION MAY 2023
(Fourth Semester)

Branch – INTERNATIONAL BUSINESS

INTERNATIONAL FINANCIAL MARKETS & INSTRUMENTS

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (5 x 1 = 5)

1. ADR/GDR can be issued by
 - (i) only by listed companies
 - (ii) by listed or unlisted companies
 - (iii) only by companies listed on BSE
 - (iv) none of the above
2. Market in which currencies buy and sell and their prices settle on is called the
 - (i) International bond market
 - (ii) International capital market
 - (iii) Foreign exchange market
 - (iv) Eurocurrency market
3. Financial derivatives includes
 - (i) Bonds
 - (ii) Stocks
 - (iii) Futures
 - (iv) None of the above
4. Which of the following is true of SWIFT?
 - (i) Real money is transferred across banks
 - (ii) Bank Identifier Codes (BIC) are optional
 - (iii) Only messages are sent - not real money
 - (iv) It is an open, public system
5. Exchange rates
 - (i) are always fixed
 - (ii) Fluctuate to equate the quantity of foreign exchange demanded with the quantity supplied
 - (iii) Fluctuate to equate imports and exports
 - (iv) Fluctuate to equate rates of interest in various countries

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 3 = 15)

- 6 a. Explain the role of foreign direct investment in India.
OR
b. Evaluate the objectives and concepts of International Financial Management.
- 7 a. Illustrate the role of Special drawing rights in International financial systems.
OR
b. Discuss the importance of International bond markets and instruments.
- 8 a. Prepare the legal framework of derivative market in India.
OR
b. Determine the difference between future, options and derivatives.

Cont...

- 9 a. State the major issues involved in International Cash Management.
OR
b. Justify the needs of double taxation avoidance agreement.
- 10 a. Explain global debt markets with its instruments.
OR
b. Discuss about the importance of Euro currency market.

SECTION -C (30 Marks)

Answer ALL questions

ALL questions carry EQUAL Marks

(5 x 6 = 30)

- 11 a. Enumerate the methods of raising funds in International markets.
OR
b. Categorize the difference between ADR, GDR and IDR.
- 12 a. Assess the history and role of International Monetary system.
OR
b. Analyze the components of international financial systems.
- 13 a. Classify the different types of derivatives in India.
OR
b. Elucidate the history and functions of derivative markets.
- 14 a. Interpret netting with its types and benefits.
OR
b. Predict the merits and demerits of International transfer pricing.
- 15 a. Differentiate various types of exchange rate theories.
OR
b. Analyze euro currency markets with its characteristics and types.

Z-Z-Z

END