

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION DECEMBER 2017
(Fifth Semester)**

Branch - **COMMERCE (FOREIGN TRADE)**

GLOBAL FINANCIAL MANAGEMENT

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** marks (10 x 2 = 20)

- 1 What is meant by international money market?
- 2 What are the main characteristics of euro currency market?
- 3 "An efficient multilateral financial system is a prerequisite for efficient operation". Why?
- 4 What is the balance of payments?
- 5 Define the term future contract.
- 6 What do you mean by a foreign exchange option?
- 7 International bank loans are classified into two categories. What are they?
- 8 What is syndicate lending?
- 9 What is a world bank group?
- 10 Explain country risk.

SECTION - B (25 Marks)

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a What is a floating rate note? Explain its features.
OR
b Write a short note on the Eurocurrency market.
- 12 a Describe the risks involved in international investment.
OR
b What are the components of the balance of payment?
- 13 a Write a note on forward rate agreements.
OR
b List out any five differences between forward and future contracts.
- 14 a What are the techniques followed by the international banks to reduce and shift risks involved in international lending?
OR
b Describe the several clauses developed for international lending.
- 15 a What are the qualifications required for proper assessment of country risk?
OR
b State the functions of international finance corporation.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Describe the instruments of the international money market.
- 17 Explain the role of international monetary fund in the international monetary system.
- 18 Explain the purchasing power parity theory with an example.
- 19 Explain the organisational features of international banking.
- 20 Discuss the sources of corporate finance and financial structure in the United States, Japan and Euro Area.