

22P425

(Pages: 3)

Name:

Reg. No:

FOURTH SEMESTER M.A. DEGREE EXAMINATION, APRIL 2024

(CBCSS - PG)

(Regular/Supplementary/Improvement)

CC19P ECO4 C12 – INTERNATIONAL FINANCE

(Economics)

(2019 Admission onwards)

Time: 3 Hours

Maximum: 30 Weightage

Part A

Answer *all* questions. Each question carries 1/5 weightage.

1. If the value of exports is greater than the imports of a country has
 - (a) Favourable Balance of Trade
 - (b) Unfavourable Balance of Trade
 - (c) Favourable Balance of Payment
 - (d) Unfavourable Balance of Payment
2. An arbitrary decrease in domestic currency price of foreign currency is
 - (a) Devaluation
 - (b) Revaluation
 - (c) Depreciation
 - (d) Appreciation
3. Price adjustment mechanism covers
 - (a) Devaluation
 - (b) Depreciation
 - (c) Both A & B
 - (d) None of these
4. Domestic currency price of foreign currency is
 - (a) Exchange rate
 - (b) Foreign exchange
 - (c) transfer function
 - (d) None of these
5. Exchange rate which is fixed by the monetary authority is
 - (a) Fixed Exchange Rate
 - (b) Flexible Exchange Rate
 - (c) Hybrid Exchange Rate
 - (d) None of these
6. Fluctuating Exchange rate is otherwise known as
 - (a) Fixed Exchange Rate
 - (b) Flexible Exchange Rate
 - (c) Hybrid Exchange Rate
 - (d) None of these
7. High Powered Money covers
 - (a) Domestic Component
 - (b) Foreign Component
 - (c) Both A & B
 - (d) None of these
8. Call Option deals with the right to
 - (a) Buy
 - (b) Sell
 - (c) Either A or B
 - (d) None of these
9. Which among the following is used to equalize the exchange rate between two monetary centre?
 - (a) Speculation
 - (b) hedging
 - (c) Arbitrage
 - (d) None of these

(1)

Turn Over

10. Expenditure Switching Policy is used to attain
 (a) IB (b) EB (c) Both A & B (d) None of these
11. The relationship between policies and objectives are
 (a) Assignment Problem (b) Swan Diagram (c) Both A & B (d) None of these
12. Investment on Financial securities include on
 (a) FDI (b) FPI (c) Either A or B (d) Both A & B
13. Vertical Integration used to ensure
 (a) Monopoly power (b) Supply of raw material
 (c) Both A & B (d) None of these
14. Platform used for dollarization is
 (a) Forex Market (b) Currency Board (c) Offshore Market (d) None of these
15. Which among the following represents SDR?
 (a) Paper gold (b) Paper Currency (c) Plastic Currency (d) All of these

(15 × 1/5 = 3 Weightage)

Part B (Very Short Answer Questions)

Answer any *five* questions. Each question carries 1 weightage.

16. What is Import restriction?
17. What is Effective Exchange Rate?
18. Define Managed Floating.
19. Who are the participants of foreign exchange market?
20. Cite a stable forex market.
21. What is Spot Rate?
22. Why Internal Balance is a downward sloping curve?
23. What is Gold Export Point?

(5 × 1 = 5 Weightage)

Part C (Short Answer Questions)

Answer any *seven* questions. Each question carries 2 weightage.

24. Write a note on the principle of double entry book keeping
25. What are the types of equilibrium coming under BoP?
26. Write a note on Pegged Exchange Rate.
27. Write a note on Purchasing Power Parity.
28. Explain the asset market model.
29. Write a note on Hedging.

(2)

30. Write a note on External Balance.
31. Write a note on IS-LM-BP model with perfect capital mobility in flexible exchange rate system.
32. Explain the reasons for the existence of MNC.
33. Write a note on gold tranche.

(7 × 2 = 14 Weightage)

Part D (Essay questions)

Answer any *two* questions. Each question carries 4 weightage.

34. Explain the synthesis of Price and Income adjustment mechanism.
35. Explain Flexible exchange rate and its relative merits and demerits.
36. Explain the policy adjustments to attain Internal and External balance.
37. Explain the importance of FDI & FPI on developing economy.

(2 × 4 = 8 Weightage)

(3)