

23P446

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Name :

Reg. No :

FOURTH SEMESTER M.Com. DEGREE EXAMINATION, APRIL 2025

(CBCSS-PG)

(Regular/Supplementary/Improvement)

CC19P MCM4 EF03 - INTERNATIONAL FINANCE

(Commerce)

(2019 Admission onwards)

Time: 3 Hours

Maximum: 30 Weightage

Part-A

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

1. Define International Financial Environment.
2. What is gold standard?
3. What is forward premium?
4. Define floors.
5. Define collars.
6. What is brownfield investment?
7. What is transfer optimum pricing?

(4 × 2 = 8 Weightage)

Part-B

Answer any *four* questions. Each question carries 3 weightage.

8. What are the factors responsible for the growth of international equity markets ?
9. What are the different types of price quotations in the foreign exchange market?
10. Explain the process of covered interest arbitrage.
11. Explain how exchange rate of rupee is determined.
12. What are the factors determining the international investment?
13. A Canadian exporter requires Indian rupees to meet an import commitment. He gets two quotes, and wants the cross rate between the rupee and the Canadian dollar (CAD). 'Rs CAD rate and the CAD/Rs rate from the following:
1.50 CAD/\$ and Rs. 46.30/\$
14. The one year interest rate in Country X is 6% and in country Y is 15%. Suppose the spot rate between currency of Country X to currency of Country Y is 0.63. Find the forward rate between currency of Country X / currency of Country Y after 1 year.

(4 × 3 = 12 Weightage)

Part-C

Answer any *two* questions. Each question carries 5 weightage.

15. Discuss the evolution of international monetary system.
16. Critically evaluate the portfolio balance model of exchange rate.
17. Define international capital budgeting. Discuss the various complexities associated with international capital budgeting.
18. A project involves investment for \$ 5,000,000. The net cash inflow expected during the first, second and the third years is \$ 3,000,000, \$ 3,500,000 and \$ 2,000,000 respectively. At the end of the third year, the scrap value is indicated at \$1,000,000. The risk adjusted discount rate is 10%. Calculate the NPV.

(2 × 5 = 10 Weightage)
