D4ACM2303 (2 Pages) Name............................
Reg.No..........................

FOURTH SEMESTER M. Com. DEGREE EXAMINATION, APRIL 2025
(Regular/Improvement/Supplementary)

COMMERCE
FMCM4E03 - INTERNATIONAL FINANCE

Time: 3 Hours **Maximum Weightage: 30**

Part A: Answer any *four* questions. Each carries *two* weightage.

1. What are the risks associated with international finance?
2. Discuss the objectives of the International Development Association (IDA).
3. Explain the role of the international finance corporation in global finance.
4. What are the key instruments traded in the international money market?
5. Discuss the concept of cross rates in foreign exchange markets.
6. Explain the Fisher Effect and its relevance in international finance.
7. What are the factors influencing the convertibility of the Indian rupee?

(4 × 2 = 8 weightage)

Part B: Answer any *four* questions. Each carries *three* weightage.

8. Discuss the role of the Bretton Woods system in shaping the International Monetary system.
9. Explain the concept of exchange rate equilibrium and the factors affecting it.
10. What are the different types of foreign exchange exposure and how are they managed?
11. Discuss the significance of the international Trade Centre in global trade.
12. Explain the concept of foreign portfolio management and its challenges.
13. If the real interest rate in Country A is 2% and the expected inflation rate is 5%, what is the nominal interest rate according to the Fisher Effect? Additionally, if Country B has a nominal interest rate of 8%, by approximately what percentage is Country A's currency expected to depreciate relative to Country B's currency according to the International Fisher Effect?
14. Discuss the impact of political exposure on international finance.

(4 × 3 = 12 weightage)

(P.T.O.)

Part C: Answer any *two* questions. Each carries *five* weightage.

15. Discuss the recent changes in global financial markets and their impact on international finance.
16. Explain the process of international capital budgeting and the factors affecting risk evaluation.
17. Discuss the role of international banking and money markets in global finance.
18. Explain the significance of working Capital Management in international business operations.

(2 × 5 = 10 weightage)