

[Time: 03.00 Hrs]

[Marks:60]

Please check whether you have got the right question paper.

- N.B:
1. Q.1 is compulsory and carries 20 Marks.
 2. Attempt any four questions from Q.2, Q.3, Q.4, Q.5, Q.6 and Q.7. Each of these questions carry 10 Marks.
 3. Figures to the right indicate full marks.

Q.1 Choose the correct option: (20)

1. Who regulates the foreign trade in India?
 - a) SEBI
 - b) FEDAI
 - c) RBI
2. The _____ account includes all transactions that pertain to goods, services, and primary and secondary incomes (or income and current transfers).
 - a) Current
 - b) Capital
 - c) Financial
3. The globalization of business activities have _____ the complexity as well as the importance of the financial managers' duties.
 - a) Increased
 - b) Decreased
 - c) Ignored
4. Due to globalization, the financial management function has become _____.
 - a) Less demanding and complex
 - b) More demanding and complex
 - c) Outdated and complex
5. International finance mainly discusses the issues related with monetary interactions of at least _____.
 - a) one country
 - b) two or more countries
 - c) five countries
6. _____ maintains the foreign exchange reserves in India?

- a) State Bank of India
- b) Reserve Bank of India
- c) EXIM India

7. India's foreign exchange rate system is _____

- a) Fixed target of band
- b) Fixed system
- c) Managed float

8. India is facing continuous deficit in its balance of payments in the foreign exchange market rupee is expected to _____

- a) Appreciate
- b) Depreciate
- c) Show no specific tendency

9. _____ is not a characteristic of speculation.

- a) Hedging
- b) Risk taking
- c) Exchange rate fluctuation

10. The responsibility for administration of FEMA is vested with _____

- a) Central government
- b) RBI
- c) National banks

11. A source of supply of foreign exchange is _____

- a) Imports
- b) Exports
- c) Gifts

12. The foreign direct investment includes _____.

- a) tangible good
- b) intangible good

c) intellectual property

13. More expansion of foreign direct investment can boost _____

- a) demand
- b) money circulation
- c) employment

14. Foreign income received in India during the previous year is taxable in the case of _____.

- a) Non resident
- b) resident
- c) both (a) and (b)

15. CCIL stands for _____.

- a) The clearing corporation of India
- b) The clearing committee of India
- c) The clearing consignment of India

16. _____ refers to converting illegal on money into legitimate money.

- a) money laundering
- b) tax evasion
- c) demonetization

17. Which of the following is known as the paper gold?

- a) Bit Coin
- b) demand draft
- c) special drawing right

18. Tax on imports can be treated as _____.

- a) foreign trade
- b) collateral trade
- c) terms of trade

19. IMS is the full form of _____.

- a) International monetary source

- b) International monetary system
- c) International monetary society

20. ____ offers the exporter the greatest level of safety.

- a) Cash in advance
- b) Letter of credit
- c) Wire transfer

Q.2

Any two from (a) or (b) or (c):

(10)

- (a) Explain the Purchasing Power Parity.
- (b) Explain the 6 types of Risks faced by businesses while doing international trade and how they manage them.
- (c) Explain the various components of Balance of Payment?

Q.3

Any two from (a) or (b) or (c):

(10)

- (a) Explain the term Offshore Banking.
- (b) What is Communalism? Explain various types of Communalism.
- (c) What are the risks involved in Foreign Bonds. Explain each type of risk involved in it.

Q.4

Any two from (a) or (b) or (c):

(10)

- (a) What is Globalization? Explain its Advantages and Disadvantages.
- (b) Short Note on Types of Barrier Options.
- (c) Distinguish between Future and Forward Contract.

Q.5 Any two from (a) or (b) or (c): (10)

- (a) Explain the arrangements and workings of the European Monetary System (EMS).
- (b) Explain FDI with its advantages and disadvantages.
- (c) Explain the term Tax Haven with example.

Q.6 Any two from (a) or (b) or (c): (10)

- (a) Explain the term DISCOUNTED CASH FLOW (DCF), in detail. Also, state its advantages and disadvantages.
- (b) What are Euro Bonds? Explain its features.
- (c) Define Exchange Rate? What are the factors affecting Exchange Rate?

Q.7 Any two from (a) or (b) or (c): (10)

- (a) Write short note on Participatory Notes.
- (b) Distinguish between Fixed and Floating Exchange Rate System.
- (c) Explain various types of Swaps.