

Type: MCQ (Mock Test)

Q1. ----- factors of economies help in determining whether investors' money is safe with foreign debt securities.

- a. \*\*Economic
- b. Social
- c. Financial
- d. Legal

Q2. International ----- Management is concerned with how individual economic units, especially MNCs cope with the complex financial environment of international business.

- a. Business
- b. \*\*Financial
- c. Legal
- d. Economic

Q3. Globalisation is essentially an ----- phenomenon which has strong implications.

- a. legal
- b. ethical
- c. \*\*economic
- d. social

Q4. When all components of the BoP accounts are included, they must sum up to ----- with no overall surplus or deficit.

- a. one
- b. two
- c. three
- d. \*\*zero

Q5. The ----- account in BoP marks the inflow and outflow of goods and services into a country.

- a. capital
- b. \*\*current
- c. reserve
- d. surplus

Q6. The International Monetary System consists of -----.

- a. exchange rate arrangements
- b. capital flows
- c. a collection of institutions, rules and conventions that govern its operations.
- d. \*\*all of the above

Q7. The European Monetary Cooperation Fund was created in -----.

- a. \*\*1972
- b. 1980

- c. 1987
- d. 1976

Q8. Spread = Ask - -----.

- a. forward rate
- b. spot rate
- c. \*\*bid
- d. futures

Q9. In the US market, direct rates are called -----.

- a. Rates on European terms
- b. \*\*Rates of American terms
- c. Rates on UAE terms
- d. Rates on Indian terms

Q10. Identify the locations where the following quotation is direct. 1 GBP = SGD 2.8272 - 82

- a. America
- b. Europe
- c. Canada
- d. \*\*Singapore

Q11. A foreign exchange ----- is the price of a foreign currency.

- a. \*\*rate
- b. market
- c. management
- d. finance

Q12. The most common way that professional dealers and brokers state foreign exchange quotations and the way they appear on all computer trading screens worldwide is called ----- terms.

- a. American
- b. \*\*European
- c. Indian
- d. Singaporean

Q13. IRP theory stresses on the fact that the size of the forward premium or discount on a foreign currency is ----- to the difference between the spot and forward interest rates of the countries in comparison.

- a. in sync with
- b. not equal
- c. \*\*equal
- d. not in sync with

Q14. This is one of the advantages of a forward contract:

- a. set up delivery dates to match your cash flows

- b. secure a contract in any freely convertible currency
- c. have no ability to participate in favourable rate movements
- d. \*\*all of the above

Q15. US dollar deposits placed in banks in ----- and other continents are called Euro-dollars.

- a. Canada
- b. Singapore
- c. \*\*Europe
- d. India

Q16. There are ----- types of ADRs.

- a. \*\*2
- b. 3
- c. 4
- d. 5

Q17. -----means avoidance of a foreign exchange risk.

- a. arbitrage
- b. \*\*hedging
- c. trading
- d. speculating

Q18. -----costs are the initial outlays required to analyse a project that cannot be recovered even if a project is accepted.

- a. building
- b. incremental
- c. \*\*sunk
- d. opportunity

Q19. Money market ----- fixes future rate.

- a. options
- b. \*\*hedges
- c. contracts
- d. swaps

Q20. The fundamental objective of ----- is to finance government expenditure.

- a. real estate
- b. retirement
- c. insurance
- d. \*\*taxation

Q21. Project cycle consists of -----.

- a. project identification
- b. project preparation
- c. implementation & monitoring

- d. **\*\*all of the above**

Q22. Examination of the ----- of the project may require specialised services of appraisal missions and appointed consultants.

- a. **\*\*viability**
- b. feasibility
- c. reliability
- d. eligibility

Q23. Capital budgeting is also referred to as ----- appraisal.

- a. cash inflow
- b. **\*\*capital investment**
- c. project
- d. business

Q24. This, ----- capital investment appraisal technique compares the profit that can be earned by the concerned project to the amount of initial investment capital that would be required for the project.

- a. internal rate of return
- b. **\*\*accounting rate of return**
- c. net present value
- d. profitability index

Q25. ----- serves as a lubricant for any enterprise be it large or small.

- a. capital budgeting
- b. **\*\*working capital**
- c. venture capital
- d. capital

**XXX-----XXX-----XXX**