

Enrollment No: \_\_\_\_\_ Exam Seat No: \_\_\_\_\_

# C.U.SHAH UNIVERSITY

## Summer Examination-2016

Subject Name : International Finance

Subject Code : 5MC04IFC1

Branch: M.Com(English)

Semester : 4

Date : 16/05/2016

Time : 02:30 To 05:30

Marks : 70

### Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
  - (2) Instructions written on main answer book are strictly to be obeyed.
  - (3) Draw neat diagrams and figures (if necessary) at right places.
  - (4) Assume suitable data if needed.
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### SECTION – I

**Q-1 Attempt the Following questions (07)**

- a. What is international finance?
- b. What is international business?
- c. State the meaning of international trade.
- d. What is balance of payment?
- e. Current account and capital account are compartment of \_\_\_\_\_
- f. Balance of trade = \_\_\_\_\_
- g. Balance of current account + balance of capital account + statistical discrepancy = \_\_\_\_\_

**Q-2 Attempt all questions (14)**

- A) Explain structure of balance of payment.
- B) Explain modes of international business.

**OR**

**Q-2 Attempt all questions (14)**

- A) Explain elasticity approach.
- B) Explain Mundell-Fleming approach.

**Q-3 Attempt all questions (14)**

- A) Explain translation exposure.
- B) Discuss economic exposure.

**OR**



- Q-3** A) Explain various theory of FDI.  
B) Discuss benefits of host and home country.

**SECTION – II**

**Q-4** **Attempt the Following questions** (07)

- a. What is LIBOR?
- b. Write examples of direct and indirect quotation.
- c. What is the basic difference between transaction exposure and translation exposure?
- d. What is transaction exposure?
- e. What is a EURO note?
- f. State the meaning of later of credit.
- g. What are bid rate and offer rate?

**Q-5** **Attempt all questions** (14)

- A) Write a note on international equity.
- B) Explain optimal portfolio.

**OR**

- Q-5** A) Explain modes of payment in international trade.  
B) Explain capital account transaction and official reserve account.

**Q-6** **Attempt all questions** (14)

- A) Write short note: Later of credit.
- B) Explain exchange rate determination in forward market .

**OR**

**Q-6** **Attempt all Questions**

- A) Discuss benefits and problems of international portfolio investment.
- B) Explain modes of international portfolio investment.

