

KAMARAJ COLLEGE (Autonomous)

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(Affiliated to Manonmaniam Sundaranar University, Tirunelveli)

(4 Pages)

Reg. No:.....

Question Code: 26E00715

Course Code: 24PECO32

PG Degree - End Semester Examinations, April 2026

Third Semester

M.COM

International Financial Management

(For those who joined in July 2024 onwards)

Time: 3Hours

Maximum : 75 Marks

PART - A (10 × 1 = 10 Marks)

Answer ALL Questions

Choose the correct answer:

- CO:1 1. International Financial Management primarily deals
K:1 with_____
- (a) Domestic financial decisions (b) Financial management in multinational corporations
- (c) Personal finance planning (d) Government budgeting
- CO:1 2. Balance of Payments records _____
K:1
- (a) Only exports
- (b) Only imports
- (c) All economic transactions between residents of two countries
- (d) Government expenses only
- CO:2 3. The forward exchange rate is agreed today but payment and
K:1 delivery take place _____
- (a) In the future (b) Immediately
- (c) Yesterday (d) Within one hour
- CO:2 4. A call option gives the right to _____
K:1
- (a) Sell currency (b) Cancel contract
- (c) Borrow currency (d) Buy currency

- C0:3 5. Foreign Direct Investment (FDI) refers to _____
K:1
- (a) Investment in domestic shares
 - (b) Investment by a foreign entity with controlling interest in a business
 - (c) Short-term foreign loans
 - (d) Export of goods
- C0:3 6. International Portfolio Investment means _____
K:1
- (a) Investment in foreign financial assets without control
 - (b) Direct control over foreign company
 - (c) Export trade
 - (d) Import trade
- C0:4 7. The International Financial Market facilitates _____
K:1
- (a) Domestic trade only
 - (b) Cross-border lending and borrowing
 - (c) Local currency exchange only
 - (d) Government taxation
- C0:4 8. The International Monetary Fund mainly provides _____
K:1
- (a) Long-term development loans
 - (b) Military funding
 - (c) Short-term balance of payments assistance
 - (d) Trade licenses
- C0:5 9. Commercial Paper is issued by _____
K:1
- (a) Central banks
 - (b) Individuals
 - (c) Governments only
 - (d) Corporations
- C0:5 10. Receivables management aims to _____
K:1
- (a) Eliminate credit sales
 - (b) Increase bad debts
 - (c) Optimize credit policy and collection
 - (d) Increase production

PART - B (5 X 5 = 25 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 250 words.

CO:1 11. (a) State the importance of International Financial Management.

K:3 **(OR)**

(b) Explain the monetary approach to BOP adjustment.

CO:1 12. (a) Describe the features of Foreign Exchange Market.

K:3 **(OR)**

(b) Explain how Speculators operate in the currency options market.

CO:2 13. (a) Explain the Adjusted Present Value Approach.

K:4 **(OR)**

(b) List out the benefits of International Portfolio Investment.

CO:2 14. (a) Describe the various channels for international flow of funds.

K:1 **(OR)**

(b) Bring out the Functions of International Banking.

CO:3 15. (a) Distinguish between Euro bonds and foreign bonds.

K:3 **(OR)**

(b) Explain factors behind the Debt Crisis.

PART - C (5 X 8 = 40 Marks)

Answer ALL Questions choosing either (a) or (b).

Answer should not exceed 600 words.

CO:3 16. (a) Discuss the Scope of International Financial Management.

K:2 **(OR)**

(b) Describe the different funding facilities through which IMF provides balance of payments support to members' countries.

CO:4 17. (a) Identify the participants in the foreign exchange market.

K:3 **(OR)**

(b) Explain the salient features of FEMA.

CO:4 18. (a) Explain the benefits from FDI to the host and the home countries.

K:2

(OR)

(b) Enumerate a few basic problems in the optimization of International investment portfolio.

CO:5 19. (a) Give a brief account of the changing scenario of international financial market during the past four or five decades.

K:4

(OR)

(b) Describe the functions of Multilateral Development Banks.

CO:5 20. (a) Explain the procedures of the issue of international bonds.

K:3

(OR)

(b) Describe the key aspects of Euro issues by Indian Companies.