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Total No. of Pages : 02

Total No. of Questions : 09

M.Com. Professional (2013 Onwards) (Sem.-3)
INTERNATIONAL FINANCIAL MANAGEMENT
Subject Code : MCOPFA-304
Paper ID : [72260]

Time : 3 Hrs.

Max. Marks : 80

INSTRUCTIONS TO CANDIDATES :

1. **SECTIONS-A, B, C & D** contains **TWO** questions each carrying **FIFTEEN** marks each and students has to attempt any **ONE** from each **SECTION**.
2. **SECTION-E** is **COMPULSORY** consisting of **TEN** questions carrying **TWENTY** marks in all.

SECTION-A

- Q1 Explain the distinguishing features of international corporate finance.
- Q2 *"The equilibrium parity conditions are just theoretical constructs that are irrelevant in the real world"*. Do you agree?

SECTION-B

- Q3 *"Derivatives are used for purposes of risk management."* Explain.
- Q4 Define a futures contract. What are the different types of future contracts? What are the advantages of using stock index futures?

SECTION-C

- Q5 How do we measure transaction exposure? Elucidate the various techniques to manage transaction exposure.
- Q6 What is economic exposure? How do MNC Measure and manage economic exposure?

SECTION-D

- Q7 What is meant by Eurocurrency markets? What are the reasons for the existence of the Eurodollar market?
- Q8 Explain the characteristics of GDRs and how they are priced. Briefly explain the GDR issue mechanism.

SECTION-E

Q9 Write short notes the followings :

- a) Financial Derivatives
- b) Mechanism of future trading.
- c) Options vs. future contracts.
- d) Monetary vs. Non-monetary assets.
- e) Domestic vs. Euro issues.
- f) Euro debt.
- g) Benefits of ADRs.
- h) Cross rates of exchange.
- i) Interest arbitrage.
- j) Hedging risk through forward contracts