

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2021 ONLY)**

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21PIB415

REG.No.

**NGM COLLEGE (AUTONOMOUS) : POLLACHI
END – OF – SEMESTER EXAMINATIONS : MAY- 2023**

M.COM-IB

MAXIMUM MARKS: 70

IV SEMESTER

TIME: 3 HOURS

GLOBAL FINANCIAL MANAGEMENT

SECTION – A (10 X 1 = 10)

ANSWER THE FOLLOWING QUESTIONS:

1. An offshore banking centre is beneficial to_____
(a) Borrowers (b) lenders
(c) borrowers and lenders (d) borrowers, lenders and host country
2. A bond which gives the choice to the investor to get repayment of principal in another currency is a _____
(a) Convertible bond (b) foreign currency convertible bond
(c) currency option bond (d) floating rate bond
3. Market in which currencies buy and sell and their prices settle on is called the _____
(a) International bond market (b) International capital market
(c) Foreign exchange market (d) Eurocurrency market
4. A bill of exchange requesting the bank to pay the face amount upon the presentation of documents is _____
(a) banker's acceptance (b) time draft
(c) letter of credit (d) sight draft
5. Multinational firms face exposure to many different types of international risk. Which of the following is not a type of exposure?
(a) diversifiable risk (b) political risk
(c) foreign economies (d) exchange rate movements

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

6. Define Multinational Corporation.

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7. What is offshore banking?
8. Write a short note on 'International Debt Crisis'.
9. Define multinational capital budgeting.
10. Explain BASEL – I Standards.

SECTION – B

(5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(Qn. No. 11 to 15) 10 questions (a & b) – 2 questions from each unit.

11. (a) Describe the goals of International financial management.
(OR)
(b) Explain the structure of European Monetary system.
12. (a) Trace the factors that led to the development of Eurocurrency market.
(OR)
(a) Explain the role of syndication in Euro credits.
13. (a) How is an offshore centre different from a tax system?
(OR)
(b) What instruments of borrowing are available to corporate in the international financial markets?
14. (a) How do you calculate the cost of debt and cost of equity?
(OR)
(a) Distinguish between ADR and GDR.
15. (a) Describe the opportunities of world largest banks.
(OR)
(b) Describe the different modes of internationalization of banks.

SECTION - C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

**(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS
(FROM Qn. No : 17 to 21))**

16. "The imperfections and linkages of domestic financial markets, Euromarkets, and foreign exchange markets provide both risks and opportunities for the international financial manager." Comment.
17. Discuss the nature and scope of international financial decision.
18. Examine the feasibility of having an offshore banking centre in India.
19. List the features of Eurobonds distinguishing among their different types.
20. Explain which factors are influencing the international equity return.
21. Discuss the various methods of relief from international taxation.
