

**QP CODE**  
**C2038**

**Enrollment Number: .....**

**Name: .....**

**M.A. DEGREE EXAMINATIONS, JULY 2025**  
**Third Semester**  
**M.A. Economics**  
**M23EC03DE – International Finance**  
**(2023 July admissions)**

**Time: 3 Hours**

**Max Marks: 70**

**Section A**

**Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.**

1. What is meant by international trade?
2. Define Foreign Direct Investment
3. What is Netting?
4. What do you mean by floating exchange rate?
5. What is a Forex market?
6. Define external debt of a country
7. What is the expansion of UNCTAD?
8. What do you mean by Regionalisation?
9. Define Import tariff
10. Define International money market
11. What do you mean by Globalization of investment?
12. What is Euronote?
13. What is Quantitative Easing?
14. What are Global Depository Receipts?
15. What are Zero-coupon bonds?

**(1X10=10)**

**Section B**

**Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.**

16. What is the role of a lead manager in the process of raising equity capital in international markets?
17. What are Convertible bonds?
18. How does IDA allocate funds to eligible countries?
19. Why are Foreign Institutional Investments (FIIs) sometimes referred to as 'fly-by-nightmoney'?
20. Describe logistical and supply chain risks in international trade.

21. What does "investment criterion with transaction costs" refer to?
22. What is the primary purpose of International Financial Institutions (IFIs)?
23. Define international reserves
24. What is the purpose of capital budgeting for organizations?
25. List two key advantages of American Depositary Receipts (ADRs) for investors over direct ownership of foreign shares

**(2X5=10)**

### **Section C**

**Answer any five of the following questions in a paragraph each. Each question carries 4 marks.**

26. Explain the "Price-Specie-Flow Mechanism."
27. How has the growth of multinational corporations impacted cross-border investment?
28. State Triffin Dilemma.
29. Explain the concept of "trade diversion" in the context of a customs union.
30. Describe the role of commercial banks and non-bank financial institutions in the foreign exchange market.
31. What are international bonds, and what are the primary risks associated with investing in them?
32. Differentiate Greenfield and Brownfield investments.
33. Discuss how exchange rates were determined under the gold standard.

**(4X5=20)**

### **Section D**

**Answer any three of the following questions in two pages each. Each question carries 10 marks.**

34. Identify and explain at least five distinct types of international financial risks.
35. Explain the major interconnected challenges in the current exchange rate system.
36. Discuss three significant international economic problems that have emerged or intensified in the aftermath of the 2008-09 Global Financial Crisis.
37. Examine the historical context and the core objectives of the New International Economic Order (NIEO).
38. Discuss the defining characteristics and multifaceted roles of International Financial Institutions (IFIs) in promoting global economic stability and development.
39. Analyze the key factors contributing to India's strong performance in attracting international investment, particularly Foreign Portfolio Investment (FPI) and Foreign Direct Investment (FDI).

**(10X3=30)**