



PG – 555

**II Semester M.Com. (IB)/MIB Examination, July 2017
(CBCS)**

Paper – 2.2 : INTERNATIONAL FINANCIAL INSTITUTIONS AND MARKETS

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** questions. **Each** carries **2** marks : **(2×7=14)**

1. a) Distinguish Multi-National companies and Trans-national companies.
- b) What is Euro Currency market ?
- c) What are Junk bonds ?
- d) What is a covered option ?
- e) Distinguish between fixed rate and floating rate bonds.
- f) Mention the major stock markets in the world.
- g) What is correspondent banking ?
- h) What is meant by transferable letter of credit ?
- i) Define exchange rate risk.
- j) Define currency swaps.

SECTION – B

Answer **any 4** questions. **Each** carries **5** marks : **(4×5=20)**

2. Bring out the differences between options and futures.
3. Explain the features of G.D.R.
4. Briefly explain the functions of Asian Development Bank.
5. What are the advantages of consortium approach in financing high value projects ?
6. Explain the structure of International banks.
7. Explain the advantages of exchange traded options.

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SECTION – C

Answer any 3 questions. Each carries 12 marks :

(3×12=36)

8. Explain the hedging techniques used in contractual hedging.
 9. Explain the role of EXIM Bank.
 10. Bring-out the differences between factoring and forfeiting.
 11. What is transaction expose ? Explain the methods used.
 12. Explain the following :
 - a) Red claused L/C
 - b) Revolving L/C
 - c) Transferable L/C.
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