



PG – 542

**II Semester M.Com. (I.B)/MIB Examination, June 2016
(CBCS)
Paper – 2.2 : INTERNATIONAL FINANCIAL INSTITUTIONS AND
MARKETS**

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** questions out of **ten** questions. **Each** question carries **two** marks. **(7×2=14)**

1. a) What are cross rates (quotes) ?
- b) Explain systematic risk.
- c) Explain LIBOR and LIBID.
- d) What are caps and floors ?
- e) What are the components of forex reserve ?
- f) Mention any four world's popular stock markets.
- g) What is confirmation of a letter of credit ? What is the obligation of the confirming bank ?
- h) Distinguish between OTC and exchange traded options.
- i) Why consortium approach of lending is encouraged ?
- j) What is correspondent relationship in International Business ?

SECTION – B

Answer **any four** questions. **Each** question carries **five** marks. **(4×5=20)**

2. Explain the role of Forex market.
3. Highlight the features of commercial paper.
4. What is the role of RBI in promoting FDI ?
5. Explain the functions of Foreign currency brokers.

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6. Explain the major market segments in the Global markets.
7. Explain the differences between translation exposure and transation exposure.

SECTION – C

Answer **any three** questions. **Each** question carries **twelve** marks. (3×12 = 36)

8. Write an analytical note on International Equity market.
 9. What are credit derivatives ? Explain credit default swaps.
 10. Explain the different types of risks in International Business.
 11. Explain the nature and scope of International Financial Functions.
 12. Describe the characteristics and significance of Euro Currency market.
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