

28

**VI Semester B.B.A. Examination, September/October 2021  
(CBCS)(F+R) (2016 – 17 and Onwards)  
BUSINESS ADMINISTRATION  
Paper – FN 6.5 : Elective Paper – III – International Finance**

Time : 3 Hours

Max. Marks : 70

**Instruction : Answer should be written in English only.**

**SECTION – A**

1. Answer any five subquestions. Each subquestion carries two marks. (5×2=10)
- What do you mean by International Finance ?
  - List the instruments of hedging risk.
  - What is exchange rate ?
  - Mention the purposes of IMF.
  - Give the meaning of International Liquidity.
  - What is future contract ?
  - Expand ICONs and PERLS.

**SECTION – B**

Answer any three questions. Each question carries six marks. (3×6=18)

- What is the implication of globalization on business ?
- What factors have contributed to the rising importance of international finance ?
- What do you mean by Gold standard ? What are the weakness of Gold standard ?
- Explain the use of options as a hedging instrument.
- What are the function of IMF ?



SECTION – C

Answer any three questions. Each question carries fourteen marks. (3×14=42)

7. Define exchange rate. Critically examine the mint parity theory of exchange rate determination.
8. What do you mean by balance of payment ? Explain in detail the components of balance of payment account.
9. What is IMF ? What are its objectives, structure and functions.
10. Explain, what kind of exchange rate system is adopted in India in detail ?
11. Write short notes on :
  - a) Special Drawings Rights.
  - b) Futures.
  - c) Swaps.