

**TYBMS SEM – VI
SAMPLE QUESTIONS
INTERNATIONAL FINANCE**

1. Which of the following is a systematic record of economic transactions of a country during a given period of time?
 - a. ADR
 - b. BOP
 - c. GDR
 - d. IFRS

2. Which of the following are not a part of fund-based services?
 - a. Bill Discounting
 - b. Factoring
 - c. Lease Financing
 - d. M&A Services

3. What is the difference between the value of merchandise exports & imports called as?
 - a. BOP
 - b. BOT
 - c. Capital Account
 - d. Reserve Account

4. FDI in BOP is covered under which of the following?
 - a. Capital Account
 - b. Current Account
 - c. Official Reserve Account
 - d. Balancing Items

5. Which of the following country is not included in G-10 countries?
 - a. Belgium
 - b. Canada
 - c. France
 - d. China

6. Bretton Woods is a town in which of the following cities in US?
 - a. Boston
 - b. Seattle
 - c. Hampshire
 - d. Denver

7. In spot market, exchange of currencies take place on?
 - a. T + 1
 - b. T + 2
 - c. T + 0
 - d. T + 4

8. SBI Account with HSBC in UK is an example of which of the following accounts?
 - a. LORO
 - b. NOSTRO
 - c. VOSTRO
 - d. SWIF

UNIT II

9. Which of the following requires an upfront margin to trade on an exchange?
 - a. Currency Forwards

- b. Currency Options
- c. Currency ETFs
- d. Currency Futures

10. Which of the following applies to the foreign currency forward market?
- a. An over the counter unorganized market
 - b. Organized market without trading
 - c. Organized listed market
 - d. Unorganized listed market
11. Which theory states that exchange rate between two currencies is directly affected by their interest rates?
- a. Interest Rate Parity
 - b. Purchasing Power Parity
 - c. Fisher's Theory
 - d. Holgate's Theory
12. Which among the following is the largest foreign exchange market in the world currently?
- a. New York
 - b. Tokyo
 - c. Frankfurt
 - d. London
13. In Holgate Principal, if Bid > Ask, swap points for forward rate are to be?
- a. Added
 - b. Subtracted
 - c. Multiplied
 - d. Divided

UNIT III

14. Which of the following are not a type of Eurobonds?
- a. Zero-Coupon Bonds
 - b. Convertible Bonds
 - c. Yankee Bonds
 - d. Straight Euro Bonds
15. Which bond is issued locally by a domestic borrower, usually denominated in local currency?
- a. Foreign Bonds
 - b. Euro Bonds
 - c. Domestic Bonds
 - d. Euro Credit
16. Which of the following is a type of security listed on Luxembourg?
- a. ADR
 - b. GDR
 - c. IDR
 - d. EDR
17. What is the full form of IPO?
- a. Indian Profit Organization
 - b. Investment & Public Offering
 - c. Initial Public Offering
 - d. Initial Prospectus Offering
18. Who among the following can authorize a person or company to deal in foreign exchange?
- a. SEBI

- b. RBI
- c. IRDA
- d. Parliament

19. Walmart opening a new retail outlet is an example of which of the following project?
- a. Expansion
 - b. Regulatory
 - c. Replacement
 - d. R&D

UNIT IV

20. Which analysis from the project will justify the project cost or investment done?
- a. Financial Analysis
 - b. Technical Analysis
 - c. Market Analysis
 - d. Economic Analysis
21. If the project involves a lot of uncertainty, which of the following capital budgeting technique should be used?
- a. NPV
 - b. IRR
 - c. Real Option
 - d. Pay Back Period
22. Which of the following is a tax avoidance technique whereby multinational subsidiaries are financed primarily by debt from the parent company instead of equity capital?
- a. Thin Capitalization
 - b. Repatriating Profits
 - c. Transfer Pricing
 - d. Tax Havens
23. Which of the following does not include the tax havens?
- a. Switzerland
 - b. Bahamas
 - c. India
 - d. Hong-Kong
24. If quote of Bank ABC is EUR/INR = 68.0000/68.0030 & quote of Bank PQR is INR/EUR = 1.4550/1.4600. what would be the arbitrage opportunity?
- a. 2828
 - b. 0
 - c. 2882
 - d. 2288
25. An investor looking at reducing his risk is known as?
- a. Speculator
 - b. Hedger
 - c. Arbitrageur
 - d. Trader