

TDC Even Semester Exam., 2019

UNIT—II

BUSINESS ADMINISTRATION

(6th Semester)

Course No. : BBAE-604

(International Financial System)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. What is international liquidity? Explain the rule of IMF in maintaining the international liquidity. 4+6=10
2. What are the Special Drawing Rights? Describe how inflation and interest rates affect equilibrium exchange rates. 4+6=10

J9/1575

(Turn Over)

3. Discuss the distinctive features of foreign exchange market. Explain the mechanics of currency trading. 5+5=10
4. Explain the functions of foreign exchange market. Briefly discuss the spot and forward market. 5+5=10

UNIT—III

5. What do you mean by foreign exchange rate? Briefly discuss the factors affecting foreign exchange rate. 4+6=10
6. How demand and supply forces determine the exchange rate in spot market? Explain with suitable example. 10

UNIT—IV

7. What is meant by global registered share? Explain the various factors affecting international equity returns. 3+7=10
8. Write short notes on the following : 5×2=10
 - (a) Global capital market
 - (b) International equity financing

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(Continued)

(3)

UNIT—V

9. Explain how you would value a swap that is the exchange of a floating rate in one currency for a fixed rate in another currency. 10
10. Write short notes on the following : 5×2=10
- (a) Interest rate swap
 - (b) Currency swap

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