

IF 03

International Finance

Roll No:-

Total No. of Questions :7

Max : Marks : 60

Duration (Hrs) :3

Total Number of Printed Page-3

Note:- All Question compulsory (Infernal choice given)**Q.1** Write in brief about BOP and its**(A)** Components (OR) (5)**(B)** Find mid point inverse rate and percentage spread of the following (5)1. INR / USD ⁽¹⁾ 53.5350 / 5650 :2. USD / EURO ⁽¹⁾ 1.89 93 / 033. USD / GBP ⁽¹⁾ 1.93 96 / 064. USD / Aussie ⁽¹⁾ 0.7698 / 035. CHF / USD ⁽¹⁾ 1.0291 / 01**Q.2** (A) Explain Gold standard system (5)**OR**

(B) Find simple Arbitrage (5)

INR / USD 43.4350 / 43.4550

USD / GBP ¹ 1.9898/08

INR/ GBP 86.4225 / 86.4275

Q.3 Find the Rupee based rated (Cross rate) (10)

for the details provided below:

INR / USD ⁽¹⁾ Spot 45.9650/0150

CHF / USD Spot 1.0192/02

Forwards	INR/USD	CHF/USD
1 Month	100/200	10/20
2 Month	300/600	40/70
3 Month	700/1000	80/100
4 Month	500/200	50/30

5 Month	200/100	20/10
6 Month	100/50	10/05
1year	200/400	100/120

(OR)

- (B) Write about European planetary systems Euro and Euro currency Markets (10)
- Q.4 Following quotations obtained in New York (5)
- (A) USD / GBP ⁽¹⁾ 1.5275 / 1.5285
CHF / USD 1.5530 / 1.5535
- (i) What do you expect CHF / GBP Spot rate from London? (London Quotation)
- (ii) If London BANK Quote 0.4214 / 0.4211 can you make arbitrage? If so how?
- (B) Find the forward rates (5)
- Spot INR/USD⁽¹⁾ 47.4750 / 47.4950
- | | |
|----------|----------|
| 1 Months | 200/ 300 |
| 2 Months | 300/200 |
| 3 Months | 400/600 |
| 4 Months | 600/500 |
- Find 15th, 35th, 55th, 75th, 95th, Days rates.
- Q.5 (A) Spot rate INR 42.0010 = USD 1 and 6 moth forward rate 42.8020 = USD 1 Interest rate of INR 12% p.a. and USD interest rate 8% p.a. calculate Arbitrage possibility (5)
- (B) Write in brief about off-shore Banking and loan Syndication (5)
- Q.6 (A) Spot rat CHF/USD 1.0250 and 6 month forward rate is 1.0350 for 1 USD. Interest rate at USA 5% p.a. and at Switzerland and it is 10% p.a. Find 15th, 35th, 65th and 85th day's forward rates. (5)

(B) Write about Derivatives with practical examples (Innovative financial products) (5)

Q.7 Read the following case and answer the following question give below it. Experiences at Mexico, Brazil, Russia, Turkey, Argentina, Thailand, Indonesia proved that full convertibility on capital A/c in the developing countries is not an easy task. (Full convertibility allow any entity to transfer their funds at will in and out the country with freedom of keeping foreign currency Accounts at the home country). The countries at developing status encourages current A/c full convertibility and FDI and FII encouragements.

Convertibility will increase the number of billionaires in India, not through entrepreneurial project but through untaxed capital gains. The impact of FDI and FII do not create positive signs on the productive side of the economy.

Question:-

- 1) What is the current status of India with special reference to the capital A/c convertibility and current A/c convertibility? (2 ½)
- 2) What are the effects of FII and FDI in flow in the long run?(2 ½)
- 3) Do you find any risk about capital A/c convertibility in India ? Why? (2 ½)
- 4) Bring out your views about INR appreciation or Depreciation on account of FDI/ FII in flow and out flow? (2 ½)