

**M.Com. Semester-II Examination, 2020**  
**Subject: Commerce**  
**Paper: COM 203**  
**(International Finance)**

**Time: 2 Hours**

**Full Marks: 40**

*The figures in the margin indicate full marks.*  
*Candidates are required to give their answers in their own words*  
*as far as possible*

**Module 1**

**Answer any two questions.**

**10 X 2 = 20**

1. (a) Prepare a case study on brownfield and greenfield investment in the Indian mobile manufacturing sector.  
(b) Distinguish between FDI and FPI. 5+5
  
2. (a) From the transactions given below, present the US trade balance, current account balance, and capital account balance:  
US exports goods valued at \$19650  
US imports merchandise valued at \$16758  
US citizens receive interest income of \$3621 from foreign investments  
Interest income of \$1394 is paid on foreign-owned assets in US  
US citizens incur travel expenditures equals to \$1919  
Foreign travel in the US is \$1750  
US govt. makes unilateral transfer of \$2388  
US capital outflow is \$4174  
US capital inflow is \$1612  
(b) What is the preliminary trend of the impact of COVID-19 led lockdown on India's BOP? 5+5
  
3. (a) "Automatic adjustment under flexible exchange rate depends on the elasticity of the demand and supply curve of foreign currency" Explain the statement with the help of a suitable diagram.  
(b) Write a short note on the impact of COVID-19 on rupee-exchange rate. 5+5

**Module 2**

**Answer any two questions.**

**10 X 2 = 20**

4. a) Distinguish between European quotation and American quotation in relation to foreign exchange.  
b) From the data given below calculate forward premium or discount, as the case may be, of the £ in relation to the rupee.  

	INR/USD
Spot	INR 97.9542/98.1255
1 month forward	INR 98.2111/4000
3 months forward	INR 97.6055/7555

5+ 5
  
  5. a) Distinguish between forward contract and futures contract.  
b) What do you mean by currency options and currency swaps? 5+ 5
  
  6. Explain the different types of exposures faced by an MNC. 10
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**Note: Use the mail id: [com407p@gmail.com](mailto:com407p@gmail.com) to send your answer scripts.**