

Time: 3 hours
Marks: 60

Answer any FIVE Questions
All Questions carry equal marks
?????

1. What factors cause some firms to become more internationalized than others?
2. How does a trade deficit affect the current account balance?
3. What lessons can economists draw from the exchange rate experiences of the European Monetary system?
4. Describe the different forms of exchange rate exposure. How do they differ among themselves?
5. What are the factors that affect currency put option and currency call option premiums?
6. What is purchasing power parity (PPP)? Discuss its importance in foreign exchange rate determination.
7. List out various sources of long-term financing. Discuss the merits and demerits of various sources.
8. What do you mean by trade finance? Critically evaluate various trade finance methods in international market.