



SOMAIYA

VIDYAVIHAR UNIVERSITY

Dr. Shantilal K. Somaia School of Commerce and Business Studies

QUESTION PAPERS

BRANCH: Master of Commerce (Accounting & Finance)	SEM: IV
Supplementary Exam	JUN-2025

Sr. No.	Subject	Available
1.	231P25C403 – International Finance	✓
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MAF - IV

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<div>April 2025</div> <div>Examination: End Semester Examination (UG/PG Programmes)</div>		
Programme code: 25	Class: SY	Semester: IV
Programme: M.Com (Accounting and Finance)		
Name of the Constituent College: S K Somaiya	Name of the Department Accounting & Finance	
Course Code: 231P25C403	Name of the Course: International Finance	
Duration : 2 Hr.	Maximum Marks : 60	
Instructions: 1)Draw neat diagrams 2)Assume suitable data if necessary		

Question No.		Max. Marks	CO												
Q1	<p>Answer the following:</p> <p>a. Discuss the concept of arbitrage and different types.</p> <p>b. Differentiate between spot rate and forward rate and the different ways to calculate forward rate.</p> <p>c. Classify the types of trade finance products available in India</p>	<p>05</p> <p>05</p> <p>05</p>	<p>CO2</p> <p>CO3</p> <p>CO1</p>												
Q 2	<p>a. Highlight the meaning and features of the concept of Balance of Payments.</p> <p>b. Examine the features and advantages of the Bretton Woods System</p> <p style="text-align: center;">OR</p> <p>c. Mr. Rohan is looking at GBP/SGD 8.4545/90 and AUD/SGD 6.5555/80. From the information calculate forward rate using swap points for GBP/AUD for 41 days, 75 days.</p> <table border="1"><tr><td>Period</td><td>GBP/SGD</td><td>AUD/SGD</td></tr><tr><td>1 month</td><td>10/12</td><td>20/18</td></tr><tr><td>2 months</td><td>24/32</td><td>35/30</td></tr><tr><td>3 months</td><td>68/75</td><td>70/65</td></tr></table>	Period	GBP/SGD	AUD/SGD	1 month	10/12	20/18	2 months	24/32	35/30	3 months	68/75	70/65	<p>07</p> <p>08</p> <p>15</p>	<p>CO1</p> <p>CO1</p> <p>CO3</p>
Period	GBP/SGD	AUD/SGD													
1 month	10/12	20/18													
2 months	24/32	35/30													
3 months	68/75	70/65													
Q 3	<p>a. Mr. Ram is looking at USD/AED 17.4545, according to him interest rate in UAE is 7% p.a and USA is 5.5% p.a. He anticipates the exchange rate will change proportionately with the inflation to be around 18.0085 at the end of 6 months. Calculate interest arbitrage possibility for him and give your suggestions.</p> <p style="text-align: center;">OR</p> <p>b. Mr. Ram is currently working in Bank A where the exchange rate quoted is USD/CAD 1.0040/80, while his wife who is working in Bank B where exchange rate quoted is USD/AUD 3.0045/95 and</p>	<p>15</p> <p>15</p>	<p>CO3</p> <p>CO2</p>												

	CAD/AUD=2.9765/85. Calculate the different ways in which arbitrage is possible.		
Q 4	a. Interpret and examine Internal Rate of Return and Adjusted Present Value methods as techniques of international project appraisal.	08	CO4
	b. Elaborate on the meaning and aspects of foreign/ international investment.	07	CO4
	OR		
	c. Throw light on the features of an options contract.	07	CO5
	d. Classify the types of business risk and discuss the risk management process for international businesses.	08	CO5