

Duration: 2 Hrs.

Maximum Marks: 60

Instructions:

- 1) *Start each question on fresh page.*
- 2) *Figures to the right indicate maximum marks.*
- 3) *Q. 1 is compulsory.*
- 4) *Answer any four from Q.2 to Q.6.*

Q.1. Write short note on ANY FIVE of the following:

(05*04=20 Marks)

- a) List and explain any four methods to correct deficits in Balance of Payment.
- b) "If the bond market does not function, then no other market functions, really," says Ben Emons of Medley Global Advisors. Explain any 5 types of bonds traded in the international bond market.
- c) The Gold Standard helped improve international trade and commerce. Elaborate
- d) The World Bank with the help of institutions under it is among the world's leading development institutions with a mission to fight poverty and improve living standards for people in the developing world. Discuss the institutions under the world bank.
- e) Macy's is an American chain of high-end retail stores and is planning to expand its business to India. Explain which are the different FDI routes Macy's can take to enter the Indian market?
- f) Differentiate between ADR and GDR on the basis of
 - i. To whom it is issued
 - ii. Denomination
 - iii. Where it is listed
 - iv. Mode of expression

(10 marks)

Q2. Along with Foreign Direct Investment (FDI), Foreign Portfolio Investment (FPI) is one of the common ways to invest in an overseas economy. Elucidate the determinants of FPI.

(10 marks)

Q3. The Regional Development Banks (RDBs) are multilateral financial institutions that provide financial and technical assistance for development in low- and middle-income countries within their regions. Enumerate a few important RDBs that have played a vital role in enhancing development of that particular region.

(10 marks)

Q4. The foreign exchange market, also known as the forex market is a global marketplace for trading in currencies with an average daily trading volume of \$6.6 trillion. Discuss the various types of transactions in the forex market.

(10 marks)

Q5. The Nepali currency is pegged (fixed) to the Indian rupee, Japan's currency, the Japanese Yen is floating currency and Malaysian currency, the Malaysian Ringgit is a managed floating currency. Explain what is the difference between the three types of currencies.

(10 marks)

Q6. Global trade and business are continuously growing in the post pandemic world. Trade and commerce are not restricted by geopolitical boundaries anymore. Financial markets play a vital role in financial trade today. Illustrate the functions of International Financial Markets