Dr. Babasaheb Ambedkar Open University

Term End Examination July-2016

Course	**: BBAIB**	
Subject Code	**: BBAIB-308**	
Subject	**: Role of International Financial Institution**	**Total Marks : 70** **Duration : 03 hours**
Date	**:**	**Time :**

Section A

Answer the following (any three) **(30)**

1. Discuss the role of money and capital markets in the international flow of funds system.
2. Explain the international money transfer mechanism.
3. How SAARC was formed and how does it members differ.
4. What are currency swaps, their benefits and risk?
5. Which factors are responsible for the recent surge in International portfolio investment?

Section B

Answer the following (any four) **(20)**

1. Write a note on Advantage theories of International trade.
2. Write note on World Bank.
3. Describe the working of the IMF.
4. What are the benefits and risks of options?
5. Write a short note on Product life Cycle?
6. Write note on Hedging Strategies.

Section C

(A) Fill in the blanks: **(10)**

1. _____market which covers dealing in short-term claims to assets. (Money / Capital)
2. _____market which covers dealing in long-term claims to assets. (Capital / Money)
3. External assistance that carriers no repayment obligations are called _____. (Commission / Grants)
4. Under_____ system rate of exchange fluctuates freely. (Free float / Managed float)
5. The IMF was set up in _____as a specialised agency of the United Nations. (1946 / 1950)

(B) Give the meaning of the following terms: **(10)**

1. Treasury Bills
2. Commercial paper
3. Exchange Rate
4. International Liquidity
5. Devaluation

SAMPLE QUESTION PAPER