

M. A. DEGREE END SEMESTER EXAMINATION - MARCH 2026**SEMESTER 4 : ECONOMICS****COURSE : 24P4ECOT15 : INTERNATIONAL FINANCIAL SYSTEM AND ECONOMIC POLICY***(For Regular 2024 Admission)*

Time : Three Hours

Max. Weights: 30

PART A**Answer any 8 questions****Weight: 1**

1. Why technology is treated as a public good? (U)
2. Why currency passthrough is less than complete? (A)
3. What are derivative instruments? (U)
4. What is a fixed exchange rate system? ()
5. What is a tailor made contract? (U)
6. What is international liquidity? (U)
7. How balance of trade differs from Balance of payments? (U)
8. Define LIBOR? (R)
9. What is credit tranche? (U)
10. What is propensity to import? (U)

(1 x 8 = 8)**PART B****Answer any 6 questions****Weights: 2**

11. Explain the effectiveness of monetary policy when capital is perfectly immobile under fixed and flexible exchange rates. (U)
12. How maturity mismatching and future rate agreements hedge against interest rate changes? (A)
13. Analyze the Jamaica agreement and its impact on world monetary system (An)
14. Prepare a note on the economic crisis in East Asia. (A)
15. Discuss different types of disequilibrium in balance of payments (U)
16. Explain the structure of balance of payments. (U)
17. Explain the structure and functions of foreign exchange markets. (U)
18. Suppose, Spot rate of pound is \$1 and forward rate is \$1.01. Calculate the forward discount/premium of pound. (A)

(2 x 6 = 12)**PART C****Answer any 2 questions****Weights: 5**

19. Explain the problem of internal and external balance using Swan model (U)
20. Explain monetary and asset market approaches to balance of payments. (U)
21. Evaluate the consequences of FDI on host markets (E)
22. Examine the functioning of gold standard. How balance of payment adjustment took place in the gold standard? (An)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
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Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;