

VIVEK COLLEGE OF COMMERCE

TYBMS SEM VI 2019-2020

SUBJECT:INTERNATIONAL FINANCE

MCQ - SAMPLE QUESTIONS

SR. NO	QUESTIONS	A	B	C	D	Correct answer
Q1.	If the USD fixed deposit rate for 1 year is deposit rate is 3% per year while Pound Sterling fixed deposit rate is 6% per year, by how much Pound Sterling is expected to devalue in the coming year?	2.00%	0.30%	3.00%	2.90%	2.90%
Q2.	GDR stands for _____	Global Depository Receipt	Global Deposit Receipts	Government Depository Receipts	Some types of FDI will be more attractive to some governments than to others.	Global Depository Receipt
Q3	Which of the following is a factor that determines the amount of dollars supplied in the foreign exchange market?	The exchange rate	interest rates in foreign countries	U.S. interest rate	All of the above affect the number of dollars supplied in the foreign exchange market.	All of the above affect the number of dollars supplied in the foreign exchange market.
Q4	_____ are most commonly classified as a direct foreign investment.	Foreign acquisitions	Licensing agreements	Purchases of international stocks	Exporting transactions	Foreign acquisitions
Q5	Which of the following are true regarding the options markets?	Hedgers and speculators both attempt to lower risk.	Hedgers attempt to lower risk, while speculators attempt to make riskless profits.	Hedgers and speculators are both necessary in order for the market to be liquid.	Arbitrage	Hedgers and speculators are both necessary in order for the market to be liquid.