Roll No. | | | | | | | | | | | | **Total No. of Pages : 02**

Total No. of Questions : 15

MBA (2012 & Onward) (Sem.–4)

INTERNATIONAL FINANCE

Subject Code : MBA-926

Paper ID : [A2531]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTION TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consists of ONE Case Study carrying EIGHT marks.**

SECTION-A

1. Discuss the advantages and disadvantages of gold standard system.
2. Explain and derive the international Fisher effect
3. Explain the issues related with GDR's
4. Compare and contrast the various types of secondary market trading structures.
5. Differentiate between the Euro note market and euro commercial paper market.
6. What are the risks associated with interest rate derivatives?

SECTION-B

UNIT-I

7. Why the study of international finance is important? Discuss the recent trends in IFM.
8. How is international financial management different from domestic financial management?

UNIT-II

9. How does the foreign exchange transactions between international banks are settled?

10. Explain the random walk model for exchange rate forecasting. Can it be consistent with technical analysis?

UNIT-III

11. Discuss the advantages and disadvantages of maintaining multiple manufacturing sites as a hedge against exchange rate exposure.

12. What is meant by the terminology that an option is in, at, or out of money? Explain with illustration by taking long and short position.

UNIT-IV

13. Discuss the various functions of IMF.

14. Distinguish the foreign bonds and Eurobonds. Also discuss why Eurobonds makeup the lion's share of the international bond market.

SECTION-C

15. Case Study :

Citrus products Inc. is a medium sized producer of citrus fruit juice with groves in Indian River country, Florida. Until now company's operations are limited to U.S. But now the company plan to expand its operations in to the Pacific Rim. In initial stage they want to set up subsidiary in Japan and Australia, then to set up a production plant in Japan and finally distribute products throughout the Pacific Rim. The firm's financial manager is worried about the implications of the foreign expansion on firm's financial management process. You are the firm's most recently hired financial analyst, asked to develop a presentation including the critical area for financial management decision; the company will face in near future. You have to prepare presentation mainly concentrating on following areas :

Questions :

a) What are the six major factors that differentiate MNCs financial management from domestic firm?

b) What impact does of currency rates have on financial charges?