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Total No. of Pages: 02

Total No. of Questions: 10

**Master of Business Administration (IB)(Sem –3)**

**INTERNATIONAL FINANCE**

**Subject Code : MBAIB-302-18**

**M Code : 77002**

**Date of Examination : 14-12-22**

**Time: 3 Hrs.**

**Max. Marks: 60**

**INSTRUCTIONS TO CANDIDATES:**

1. **SECTION-A** is **COMPULSORY** consisting of **EIGHT** questions carrying **TWO** marks each.
2. **SECTIONS-B** consists of **FOUR** Sub-sections : Units-I, II, III & IV. Student have to attempt any **ONE** question from each Sub-section carrying **EIGHT** marks each.
3. **SECTION-C** is **COMPULSORY**, consists of a Case Study carrying **TWELVE** marks.

**SECTION-A**

1. Discuss the concepts (Briefly):
  - a) Brexit
  - b) European Central Bank
  - c) Country risk analysis
  - d) Interest rate parity
  - e) International Fisher effect
  - f) Purchasing power parity
  - g) Foreign bond market
  - h) Forfaiting

**SECTION-B**

**UNIT-I**

2. Discuss the factors affecting International trade flows.
3. What is the significance and role of economic and monetary union in International Finance?

**UNIT-II**

4. Explain the concept and rationale for the existence of the International fisher Effect.
5. Write a note on participants in and structure of forex markets.

### **UNIT-III**

6. Discuss various strategies for managing the foreign exchange risk
7. Discuss the difference between economic exposure and transaction exposure with examples.

### **UNIT -V**

8. Commercial borrowings and ADR can create good longterm sources of finance for a company.Discuss.
9. Elaborate the concept and utility of factoring

### **SECTION-C**

10. For each of the following situations, select and explain the best answer concerning foreign currency transactions:
  - (G) Results in a foreign exchange gain.
  - (L) Results in a foreign exchange loss.
  - (N) No foreign exchange gain or loss.
- a) Import purchase by a U.S. company denominated in foreign currency, foreign currency of buyer appreciates.
- b) Import purchase by a U.S. company denominated in dollars, foreign currency of buyer appreciates.
- c) Import purchase by a U.S. company denominated in foreign currency, foreign currency of buyer depreciates.
- d) Import purchase by a U.S. company denominated in dollars, foreign currency of buyer depreciates.

**NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student.**