

6. Discuss the Purchasing Power Parity (PPP) theory.
7. Discuss the three types of traders in derivative markets - Hedgers, Speculators and Arbitrageurs.
8. Discuss the risks of International Bonds.

## **MS-405/FM-2108**

### **International Finance**

Master of Business Administration

(MBA-10/12/13/16/17)

4<sup>th</sup> Semester, Examination-2019

**Time : 3 Hours**

**Max. Marks : 80**

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Note - This Paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the Questions contained in these sections according to the detailed instructions given therein.

#### **Section - A**

#### **(Long-Answer-Type Questions)**

Note - Section 'A' contains Five (05) long-answer-type questions of Fifteen (15) marks each. Learners are required to answer any Three (03) questions only.

(3 × 15 = 45)

1. Discuss the different modes of International Business.
2. What do you mean by Fixed and Floating Exchange Rate? Explain the factors affecting the rate of Exchange.

3. Who are the participants in International Money Market? Discuss in the context of India.
4. What do you mean by currency swaps? What are the different forms of currency swaps?
5. Write note on three of the following :
  - a) Funds Raising Instruments of International Market.
  - b) External Commercial Borrowings.
  - c) Export Promotion.

## **Section - B**

### **(Short-Answer-Type Questions)**

Note - Section 'B' contains Eight (08) short-answer-type questions of Seven (07) marks each. Learners are required to answer any Five (05) questions only.

(5 × 7 = 35)

#### **Briefly discuss any five (05) of the following:**

1. Briefly describe the distinguish features of International Finance.
2. Discuss Balance of Payment - a record of a country's international transactions.
3. Describe company's motivations for the advantages from Foreign Direct Investments.
4. What are the major characteristics of the Foreign Exchange Market?
5. State reasons why U.S. currency dollar is the most important currency in foreign exchange market?