

S-878

Total Pages : 3

Roll No. -----

MS-405

International Finance

Master of Business Administration (MBA)

4th Semester, Examination 2022(Dec.)

Time: 2 Hours

Max. Marks: 70

Note : This paper is of Seventy (70) 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 Nineteen (19) marks each. Learners are required to answer any two (02) questions only.

[2 x 19 = 38]

P.T.O.

- Q.1. Describe why international trade takes place. Do factors affecting international trade also affect international capital movements? Explain.
- Q.2. Explain the concept of Balance of Payments (BOP). Explain the different accounts of BOP. Can a country run a current account deficit (surplus) indefinitely? Give reasons.
- Q.3. What do you understand by 'Foreign Exchange Market'? Explain the role played by the main participants in this market.
- Q.4. How can multinational firms decide between internal equity and internal debt for financing a subsidiary? Explain with an example.
- Q.5. How does netting of payments help a firm in managing its cash and near-cash assets?

Section – B

(Short-answer-type questions)

Note: Section 'B' contains Eight (08) short-answer-type questions of Eight (08) marks each. Learners are required to answer any Four (04) questions only.

[4 x 8 = 32]

Briefly discuss any four (04) of the following:

- Q.1. Nature and Scope of International Financial Decision.
- Q.2. Elements of International Capital Markets.
- Q.3. Relationship between Spot Rates and Forward Rates.
- Q.4. Forward-Forward Swaps.
- Q.5. Various Techniques for Managing Transaction Exposure.
- Q.6. Need for Hedging.
- Q.7. International Banking.
- Q.8. Management of Interest Rate Risk.
