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**Total Pages : 4**

**Roll No. -----**

**MS-405**

**International Finance**

**Master of Business Administration**

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

**4<sup>th</sup> Semester Examination 2021 (Winter)**

**Time: 2 Hours**

**Max. Marks: 80**

**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 Twenty (20) marks each. Learners are required to answer any two (02) questions only.

**[2 x 20 = 40]**

**P.T.O.**

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- Q.1. Discuss the different methods or approaches used by firms to conduct business internationally.
- Q.2. Discuss the balance of Payment. Explain the key components of balance of payments.
- Q.3. Discuss the different types of international financial market instruments available to the firms to raise funds?
- Q.4. What do you mean by Fixed and Floating exchange rate? Explain the factors affecting the exchange rate.
- Q.5. Explain the theory of Purchasing Power Parity (PPP). Based on this theory, What is a general forecast of the values of currencies in countries with high inflation?

### **Section – B**

#### **(Short-answer-type questions)**

Note: Section 'B' contains Eight (08) short-answer-type questions of Ten (10) marks each. Learners are required to answer any Four (04) questions only.

[4 x 10 = 40]

Briefly discuss any four (04) of the following:

- Q.1. Explain the agency problems of MNC's.
- Q.2. What are some of the major objectives of International Monetary Fund (IMF)?
- Q.3. What is LIBOR and how it is used in the Euro Credit Market?
- Q.4. Compare and contrast Forward and Futures contract.
- Q.5. a) What is the impact of a weak home currency on the home economy other things being equal?  
b) What is the impact of a strong home currency on the home economy other things being equal?
- Q.6. Discuss the general functions involved in international cash management.
- Q.7. What are some risks of international business that may not exist for local business?

P.T.O.

Q.8. What are the bills of lading and how they facilitate international trade transactions?

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