

C1185

Total Pages : 3

Roll No.

FM-2108/MS-405

International Finance

Master of Business Administration (MBA-10/12/B/M-7)

4th Semester Examination, 2022 (June)

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.

(2×20=40)

1. Discuss the different international business theories as to why firms become motivated to expand their business internationally.

2. Discuss the different economic factors that influence the international trade flows.
3. (a) Explain how exchange rate movements are measured.
(b) Discuss the factors that affect the equilibrium exchange rate.
4. Discuss the different types of international financial market instruments available to the firms to raise funds.
5. What do you understand by foreign exchange risk? What are the different external exposures management techniques which are used by importers and exporters?

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. (4×10=40)

Briefly discuss any four (04) of the following :

1. Identify and discuss the various risks faced by MNC's who expand internationally?
2. How is the IMF involved in International Trade?
3. Discuss the functions of the International Money Market.

4. Differentiate between a currency call option and currency put option.
 5. (a) Should the Governments of Asian countries allow their currencies to float freely?
(b) What would be the advantages and disadvantages of letting their currencies float freely?
 6. Explain the rationale of Purchasing Power Parity (PPP).
 7. Discuss the potential benefits to an MNC's as a result of Foreign Direct Investment (FDI).
 8. How can an MNC implement leading and lagging techniques to help subsidiaries in need of funds?
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