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M. B. A. (Fourth Semester) Examination, April-May 2022

(New Scheme)

(Management Branch) (Elective-I)

INTERNATIONAL FINANCIAL MANAGEMENT

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

Note : *Attempt (a) & (b) or (c) and (d) from each unit. All questions carry equal marks.*

Unit-I

1. (a) What do you mean by International Financial Management? State the finance functions in global context.

   (b) Define special drawing rights. What purpose does it serve?

   (c) According to you, what will be the impact of

COVID-19 pandemic in global economy? Which type of challenges finance managers will face in upcoming days?

(d) Write a note on evolution, purpose and functions of International Monetary Fund.

Unit-II

2. (a) A New York bank is currently offering these quotes :

USD/JPY : 110·25/111·10

USD/AUD : 1·6520/1·6530

At the same time, a bank in sydney is quoting :

AUD/JPY : 68·30/69·00

Is there an arbitrage opportunity.

(b) Describe various theories of exchange rate determination.

(c) How are inflation rates and foreign exchange rates related? Illustrate with the help of an example.

(d) Consider the following pair of spot and forward quote

USD/CHF : 1·5677/1·5685

1 Month Forward : 1·5575/1·5585

Dollar is at forward premium or forward discount? Also Calculate annualized premium/discount.

Unit-III

3. (a) Distinguish between a forward contract and a future contract.

(b) How futures are used for hedging an exposure.

(c) What are currency options? Classify their different types.

(d) Describe elementary option strategies.

Unit-~~III~~ ~~IV~~ IV

Write note on :

4. (a) Risk Management Process.

(b) Interest Rate Swap

(c) Interest Rate Future

(d) Interest Rate Option

Unit-V

5. (a) Describe the differen types of exchange exposures.

(b) How Operating Exposure is assessed?

(c) Write note on Leading and Lagging

(d) Write note on Netting and Matching