

Code: 14E00407

MBA IV Semester Supplementary Examinations November 2016

INTERNATIONAL FINANCIAL MANAGEMENT

(For students admitted in 2014 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

Answer the following: (05 X 10 = 50 Marks)

- 1 Globalization is no more a choice for any country. Domestic markets of the economy are forced to integrate with the global markets. What are the factors that have contributed to the integration of financial markets across the world.
OR
- 2 How is international financial management different from domestic financial management?
- 3 Define forex market. Discuss the functions and the structure of forex market in India.
OR
- 4 Elaborately discuss about the major participants and transactions in the foreign exchange market.
- 5 What type of exchange exposures is a multinational enterprise subjected to.
OR
- 6 What is transaction exposure? How is it calculated?
- 7 Enumerate the various problems and issues in foreign investment analysis.
OR
- 8 Describe the various methods of capital budgeting that are normally adopted by multinational companies.
- 9 What are the components of short term assets? Explain the importance of international inventory management.
OR
- 10 What is capital structure? Distinguish between international capital structure and domestic capital structure.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

- 11 **Case study:**
Exchange rate : Can \$ 1.317 per US \$ (spot)
Can \$ 1.2950 per US \$ (6-months forward)
6-months interest rate:
US \$ 10 percent
Can \$ 6 percent
Work out the possibilities of arbitrage gain.
