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Subjt Code: R16MBA406F2

MBA - IV Semester Regular Examinations, April-2018.

INTERNATIONAL FINANCIAL MANAGEMENT (ELTIVE -II)

Time: 3 hours

Max Marks: 60

Question Paper Consists of **Part-A** and **Part-B**.

Answering the question in **Part-A** is Compulsory & Four Questions should be answered from Part-B

All questions carry equal marks of 12.

PART-A (CASE STUDY)

1 X 12 = 12

- 1) Record the following transactions and prepare balance of payments statement?
- A US firm exports \$ 1000 worth of goods to be paid in 6 months.
 - A US resident visits London and spends \$400 on hotel, meals and so on.
 - US Govt gives US bank, balance of \$ 200 to Govt of a developing nation as part of US aid programme.
 - A US resident purchases foreign stock for \$800 and pays for it by increasing foreign bank balances in the US.
 - A foreign investor purchases \$600 worth US T bills and pays by drawing down his bank balances in US by an equal amount.

PART-B

4X 12 = 48

- Explain briefly the functions of International monetary System?
 - Is floating rate system more inflationary than a fixed rate system. Explain?
- What is international bond market? Enumerate the important features of this market?
 - What role does IMF play in determining the value of exchange rate?
- Name the participants in FOREX market? Explain the structure of FOREX market in India? What is the rationale for the existence of international Fisher Eff?
- Explain in detail the models of foreign investment?
 - How can a centralized cash management system be beneficial to MNC's?
- Compare three types of exposure- translation, transaction and economic exposure?
 - Write short notes on forward market hedge, money market hedge?
- Discuss the types of tax? Explain the tax implications of dividend remittance by overseas affiliate?

