

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA - SEMESTER– III EXAMINATION – WINTER 2019****Subject Code: 4539242****Date: 04-12-2019****Subject Name: International Finance Management****Time: 10:30 AM TO 1.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks

Q:-1 Define the following Terms: **10**

1. Balance of payment
2. Arbitrage
3. Economic Exposure
4. International Finance
5. Interest rate parity

Q:-1 (A) Discuss factors affecting Globalization. **04****Q.2 (A)** What is International Finance? Differentiate International Finance and Domestic Finance. **07****(B)** Define interest rate parity. Discuss the implications of interest rate parity for exchange rate determination. **07****OR****(B)** Discuss various types of letter of credit in detail. **07****Q:-3 (A)** What are various determinants of Forex rates? **07****(B)** Discuss in detail the role of WTO in international business. **07****OR****Q.3 (A)** Write a short note on ECGC. **07****(B)** Discuss the role of Multinational firms in Global Business. **07****Q.4 (A)** Write a short note on EXIM Bank. **07****(B)** Define Exposure; write a detail note on three types of exposures in international business. **07****OR****Q.4 (A)** Define Balance of payment, discuss various components of BPO and comment on India's current BPO position. **07****(B)** Write a short note on Classical Gold Standard. **07****Q:-5** Find out the Transaction gain/loss on the basis of the following data pertaining to India's foreign Trade. **14**

Particulars	US \$ Million	JapanYen Million	British Pound Million
Imports	1200	600	850
Exports	1100	620	800
Pre Exchange Rate	RS.45/\$	Rs.0.30/Yen	Rs. 70/Pound
Post Exchange Rate	RS.47/\$	Rs.0.40/Yen	Rs. 65/Pound

OR

- Q:-5** A company expects cash flow from its new project to the extent of \$5500, \$6000, \$6500 and \$ 7000 respectively during first three years of operation. However, due to changes in exchange rates, the cash flow is affected and it will change to \$ 4500, \$5800, \$ 5500 and \$ 6500. Find the magnitude of the possible real operating exposure during the initial of operation assuming a discount rate of 10%. **14**

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