

Code: 14E00407

MBA IV Semester Regular & Supplementary Examinations May 2017

INTERNATIONAL FINANCIAL MANAGEMENT

(For students admitted in 2014 & 2015 only)

Time: 3 hours

Max. Marks: 60

All questions carry equal marks

SECTION – A

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

- 1 What is the IFM? Discuss its role in the world economy and various risks involved in IFM.

OR

- 2 Discuss the nature, scope and significance of International Financial Management.

- 3 It is fallacious to say that gold has no role in the functioning in International money and exchange markets – Discuss briefly.

OR

- 4 What are Forex markets? Explain the functions and structure of Forex markets.

- 5 Explain different types of exposures in foreign exchange market.

OR

- 6 Differentiate among Economic, Operating and Transaction exposures in foreign exchange market.

- 7 What is capital budgeting? Discuss various methods in capital budgeting for a project evaluation.

OR

- 8 Give a note on investment decisions, risks and opportunities in investment decisions.

- 9 What are the three main sources of financing for any firm – Discuss the advantages and limitations in each source of capital.

OR

- 10 Briefly explain the capital structure policies in practice in India with some examples.

SECTION – B

(Compulsory Question)

01 X 10 = 10 Marks

Case study:

The following details are available in respect of the cash flows of the two projects X and Y.

YEAR	PROJECT 'X' Rs.	PROJECT 'Y' Rs.
0	(800000)	(900000)
1	400000	200000
2	250000	400000
3	50000	300000
4	100000	300000
5	250000	50000

Compute Payback period for X and Y and also state which project would be accepted.
