Code No: MB1344/R13

MBA IV Semester Regular/ Supplementary Examinations, April-2017

INTERNATIONAL FINANCIAL MANAGEMENT

Time: 3 Hours   **Max. Marks: 60**

Answer Any **FIVE** *Questions, All Questions Carry Equal Marks*
Question No. 8 is Compulsory

1.	a	Briefly discuss why international trade takes place. Do factors affecting international trade also affect international capital movements? Explain.	6
	b	Explain the factors responsible for growing importance of International Financial Management.	6
2.	a	What are the different external exposure management techniques which are used by importers and exporters?	6
	b	Discuss about the different types of accounts of BOP. Can a country run a current account deficit (surplus) indefinitely? Give reasons.	6
3.	a	Distinguish between 'Foreign Direct Investment' (FDI) and 'Portfolio Investment' and discuss the different strategies of portfolio investment.	6
	b	Briefly discuss the centralized cash management system and its advantages and limitations.	6
4.	a	Discuss the principal translation methods of foreign subsidiaries accounts.	6
	b	Why are China and India emerging as attractive centers for foreign direct investment in recent years?	6
5.	a	Discuss the methods of evaluating international investment decisions.	6
	b	Discuss the different techniques available for currency risk management.	6
6.	a	What are the different external exposure management techniques which are used by importers and exporters?	6
	b	Explain the different derivatives instruments which help to hedge the currency risks.	6
7.	a	Explain the types of swaps. How they are useful to hedge the currency exposure.	6
	b	What are multilateral tax treaties? How do you minimize the tax liability of foreign operations?	6
8.	a	Discuss the status of taxation of foreign source income in India.	6
	b	Minimization of global tax liability is not the only objective of transfer pricing. Discuss.	6

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