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Total No. of Pages : 02

Total No. of Questions : 15

MBA(IB) (2014 &amp; 2017) (Sem.-3)

**INTERNATIONAL FINANCE**

Subject Code : MBAIB-302

Paper ID : [C1193]

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. **SECTION-A** contains **SIX** questions carrying **FIVE** marks each and students has to attempt **ANY FOUR** questions.
2. **SECTIONS-B** consists of **FOUR** Subsections : Units-I, II, III & IV. Each Subsection contains **TWO** questions each carrying **EIGHT** marks each and student has to attempt **ANY ONE** question from each Subsection.
3. **SECTION-C** is **COMPULSORY** carrying **EIGHT** marks.

**SECTION-A**

- 1 What is the exchange rate? What are the factors affecting the exchange rate of a country?
- 2 Discuss the fixed and flexible exchange rate system. What kind of exchange rate system is followed in India?
- 3 What are the challenges in international finance?
- 4 Describe the features of future contracts. What is the margin system followed in future trading?
- 5 What is the fisher effect? Explain the international fisher effect.
- 6 What are sources of short term international finance?

**SECTION-B****UNIT-I**

- 7 What is the International Finance? How funds flow in the international monetary system? What is the importance of international finance?
- 8 Discuss the functioning of the European Central Bank.

## UNIT-II

- 9 What are the sources of long term international finance? Discuss.
- 10 Who are the major participants in the forex market? What is the role played by these participants?

## UNIT-III

- 11 Discuss the different transactions in the foreign exchange market. Discuss the different methods of quoting foreign exchange rates.
- 12 Distinguish between foreign exchange exposure and risk. Discuss the transaction exposure.

## UNIT-IV

- 13 Discuss the interest rate parity theory and purchasing power parity theory of exchange rate.
- 14 Discuss the objectives and functions of EXMI bank.

## SECTION-C

- 15 Before the Word War-I, \$20.67 was needed to buy one ounce of gold. If, at the same time one gram of gold could be purchased in France for FF 10.617. If one ounce is equal to 28.35 grams, then
  - a) What was the exchange rate between the French franc and US\$?
  - b) According to you which of two country' currency was adversely affected by the war?