

R07

Code No: MB404

JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD

MBA – IV Semester Examinations, January 2011

INTERNATIONAL FINANCIAL MANAGEMENT

Time: 3hours

Max. Marks: 60

**Answer any five questions
All questions carry equal marks**

1. What are EMS and ECU?
2. How did the Breton Woods agreement provide a stable monetary environment?
3. What is meant by the BOP? Why do discrepancies arise in the balance of payment statement?
4. Explain briefly the mechanism of future trading and what are the functions of future market are.
5. What do the following terms mean
 - a) Cross currency swap
 - b) Plain vanilla swap
 - c) Zero coupon swaps.
6. Explain the purchasing power parity theory and the rationale behind it.
7. Briefly explain how an MNC can calculate its cost of equity capital.
8. Elucidate the various techniques to optimize cash inflows, explain any two.

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