MBA-3rd Semester Examination
Jan.2014
International Financial Management (FIN)
Subject Code: MSL- 635

Before answering the question paper the candidate should ensure that they have been supplied the correct question paper. Complaints in this regard, if any, shall not be entertained after the examination.

Note: Question No. 1 is Compulsory and attempt two questions from each section. All questions carry equal marks.

1. Write short notes on: (5*4=20)
   a) ADR and GDR
   b) Foreign Exchange Market
   c) Interest Rate Parity
   d) Netting

SECTION – A

2. From the following data calculate the possibilities of a gain/loss in Arbitrage. Spot rate Ffr(French Frank) 6.00 = $1. 6 month forward rate Ffr 6.0020=$1, annualized interest rate on 6 months US $ = 5%, annualized interest rate on 6 months Ffr = 8% (20)

3. What do you mean by ECBs? What are the risks involved in ECBs? How can the exposure be managed arising from ECBs? (20)

4. Elucidate the various techniques to optimize cash inflows? Explain with examples (20)

SECTION – B

5. a) what are the determinants of the capital structure of a MNC? (10)
   b) Contrast between centralized and decentralized Cash Management. (10)

6. What do you mean by double Taxation? What are the factors to be kept in mind for international Taxation. (20)

7. What do you mean by Exposure? Explain different types of Exposure. (20)