MBA-3rd Semester Examination
Jan.2014
International Financial Management (IB)
Subject Code: MSL- 625
Time Allowed: 03 hours.   Maximum Marks: 100

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:- (4*5- 20)
   A) External Commercial Borrowings
   B) Euro Currency Market
   C) Economic Exposure
   D) Interest Rate Parity
   E) NPV method

SECTION-A

2. What do you mean by Exchange Rate? Explain different Exchange Rate regimes. (20)
3. Your company has to make aUs $ 1 million payment in three months’time. The dollars are available now. You decide to invest for 3 months, and you have following information, Annual Int rate in US = 8%, annual Int rate in Sterling= 10%, spot Exchange Rate= $1.80/pound, 3 month forward rate= $1.78/pound. Where should company invest for better results? (20)
4. What do you mean by ADR? What are its advantages. Discuss the process of issuing a ADR/ GDR? (20)

SECTION-B

5. Elucidate the various techniques to optimize cash inflows? Explain with examples (20)
6. What is Transaction Exposure? How it is managed? (20)
7. What do you mean by Double Taxation? What are relief provisions against it? (20)