

(4)

9. Explain the key indicators that multinational companies should assess in calculating the degree of various types of risks associated with foreign investment. Also suggest measures to overcome such risks. (10)

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(Printed Pages 4)

Roll No. \_\_\_\_\_

**MS-3125**

**M.B.A. (F & C) (Fourth Semester)**

**Examination, 2015**

**International Financial Management**

**(FC-042)**

***Time Allowed : Three Hours ] [ Maximum Marks : 70***

Note : Attempt five questions in all. Question No.1 is compulsory which carries 30 marks. Select one question from each of the four Units carrying 10 marks each.

1. Write short notes on the following:  $3 \times 10 = 30$
- (a) Importance of hedging
  - (b) Authorised Dealers
  - (c) Direct and indirect quotes
  - (d) Floating exchange rate regime
  - (e) Bretton Woods System
  - (f) Current vs. capital account

**(2)**

- (g) Factoring vs. forfeiting
- (h) Euro Notes
- (i) Euro Currency and Euro Bonds market
- (j) Procedure for issue of GDR

Unit - I

- 2. (a) Critically evaluate the role of Multi-National Corporations in India's industrial and economic growth.
- (b) Differentiate between International Monetary System and International Financial Markets. (5+5)
- 3. How is foreign exchange rate determined? Explain the important theories which are helpful in determining the exchange rates. (10)

Unit - II

- 4. Write the components of Balance of Payments and explain the significance of Balance of Payments (BOP) for a country? (10)

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**(3)**

- 5. (a) Explain the various techniques used in managing the risk in foreign exchange market
- (b) Briefly evaluate the financing modes available for international trade. (5+5)

Unit - III

- 6. What are the short term financing options available for an MNC? Identify the key areas of attention while managing the cash internationally. (10)
- 7. What is meant by inter-company funds flow management? Explain the alternatives available for managing inter-company funds flow (10)

Unit-IV

- 8. Why do Multinational Companies come with foreign investment in different countries? Make a cost-benefit analysis of foreign investment to the host country. (10)

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**P.T.O.**