

Roll No.

Total No. of Pages : 02

Total No. of Questions : 15

**MBA (2012 & Onward) (Sem.-4)**

**INTERNATIONAL FINANCE**

**Subject Code : MBA-926**

**Paper ID : [A2531]**

**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** and consist of **ONE** Case Study carrying **EIGHT** marks.

**SECTION-A**

- Q1. What are the main objectives of Bretton Woods System?
- Q2. Differentiate Absolute PPP and Relative PPP.
- Q3. Define Arbitrage
- Q4. Explain the issues related with ADR's.
- Q5. As an investor, what factors would you consider before investing in the emerging stock market of a developing country.
- Q6. Write a short note on Exim Bank of India.

**SECTION-B**

**UNIT-I**

- Q7. What are the factors affecting the international trade Flows?
- Q8. Discuss the criteria for a "good" international monetary system.

## UNIT-II

- Q9. How does the parity conditions in international finance is arrived?
- Q10. It is difficult to forecast future exchange rates than forward exchange rates or current spot rates. How would you interpret the finding? Explain with suitable examples.

## UNIT-III

- Q11. What are the different types of risks in foreign exchange management? How it can be managed?
- Q12. How does the theory of comparative advantage relate to the currency swap market?

## UNIT-IV

- Q13. Discuss the process of bringing a new international bond issue to market.
- Q14. Discuss the Cause and the solutions to the international bank crisis involving less-developed countries.

## SECTION-C

Q15. **Case Study :**

Suppose you are a financial advisor and your client, who is currently investing only in the U.S. Stock market, is considering diversifying into the U.K. Stock market. At the moment, there are neither particular barriers nor restrictions on investing in the U.K. Stock market. Your client would like to know what kind of benefits can be expected from doing so. Using the theory of portfolio selection how the maximum benefits can be claimed. Discuss following questions:

1. Illustrate various combinations of portfolio risk and return that can be generated by investing in U.S. and U.K. Stock markets with different proportions.
2. Would the theory of market efficiency helpful in decision making?
3. Is derivatives can be used to tradeoff the positions.
4. Would there be any change in portfolio if there are some restrictions announced by Government?