



MBA (FT) Semester IV

Course: International Financial Management

MM: 50 Marks

Subject Code: MBA FM 401

Time: 3 Hours

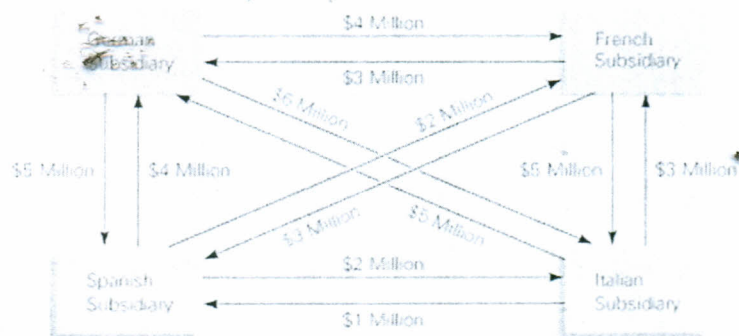
Attempt any three questions from Section A. Section B is Compulsory. Each question carries equal marks.

SECTION A

- Q1. Elaborate on the theories behind International Trade. State the reasons for enabling free trade. Discuss the barriers to International Trade.
- Q2. Discuss the Current Account and Capital Account and their constituents in Balance of Payment. What is the BOP identity and how accounting for BOP surplus / deficit is made?
- Q3. Discuss the functioning of the Foreign Exchange Market. What are its constituents? Elaborate on Spot and Forward Trading, Cross and Inverse Rates in the Forex Market.
- Q4. (a) The \$/₹ rate in the Mumbai Interbank Market is 66.5320 / 75 while the ₹/\$ rate in New York Interbank Market is 0.01502 / 04. Is there any arbitrage opportunity possible and why or why not?
- (b) The \$/₹ rate in the Mumbai Interbank Market is 66.5320 / 75 while the £/\$ rate is 1.4129 / 35. Find the £/₹ rate.
- Q5. Write short note on the following (any two):
- (1) International Financial Markets
 - (2) Documents in International Trade
 - (3) European Monetary Union
 - (4) Sovereign Wealth Funds

SECTION B

- Q6. Write short note on the following (any two):
- (1) Gold Standard
 - (2) Interest Rate Parity Theory
 - (3) International Financial Instruments
 - (4) International Cash Management
- Q7. For the following case of international payments amongst the subsidiaries of Technologies Inc., find the total cash flow and the net cash flow after netting.



It is the supreme art of the teacher to awaken joy in creative expression and knowledge -

Albert Einstein
BEST OF LUCK