

[Total No. of Questions - 10] [Total No. of Printed Pages - 2]
(2063)

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M.B.A. 3rd Semester Examination
International Financial Management
ITM-08

Time : 3 Hours

Max. Marks : 60

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary continuation sheet will be issued.

Note : The students are required to attempt five questions in all selecting one question from each unit. Each question carry equal marks.

UNIT - I

1. Why is the task of international financial manager much more complicated than that of a domestic financial manager? (12)
2. What are the specific problems that an MNC financial manager faces in managing current assets? (12)

UNIT - II

3. "A system of floating exchange rates fails when governments ignore the verdict of the exchange markets on their policies and resort to direct controls over trade and capital flows". Comment. (12)
4. Explain, how exchange rate between two foreign currencies is determined? (12)

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UNIT - III

5. What are the different types of exchange exposure which an MNC is subject to in course of its overseas business? (12)
6. Discuss the general functions involved in international cash management. (12)

UNIT - IV

7. What are the two approaches used to incorporate the exchange the political risks in the multinational capital budgeting exercise? (12)
8. What types of risk are present in a diversified portfolio? Which type of risk remains after the portfolio has been diversified? (12)

UNIT - V

9. How would you set cutoff rate of an MNC for evaluating a foreign project? What specific adjustments are required to be made? (6+6)
10. Give the objects and scope of International Accounting Standard Committee. (6+6)