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MBA405B

**FOURTH SEMESTER BACK EXAMINATION, 2016**  
**INTERNATIONAL FINANCIAL MANAGEMENT**

**BRANCH : MBA**

**QUESTION CODE : W 380**

**Max marks: 70**

**Time: 3 Hours**

*Answer Question No.1 which is compulsory and any five from the rest.  
[The figures in the right hand margin indicate marks]*

**Q.1** Answer the following : **2x10**

- (a) What is the specialty of International Finance.
- (b) Why should BOP balance ?
- (c) Explain what are invisible exports and imports.
- (d) What is balance of payment deficit ?
- (e) Explain the concept of appreciation and depreciation of a currency.
- (f) What determines the exchange rate ?
- (g) What are bid / ask rate of currency ?
- (h) Explain triangular arbitrage.
- (i) What is netting and offsetting.
- (j) Explain an accommodating transaction of currency.

**Q.2** Discuss the risks faced by foreign projects implemented in the country. **10**

**Q.3** What is an exposure ? Explain how would you manage such exposure. **10**

**Q.4** What are the determining factors affecting exchange rates. **10**

**Q.5** How is rate of exchange traded ?

**Q.6** What are the mechanics of currency trading. **10**

**Q.7** Who are the players and participants in foreign exchange market ? **10**  
Explain their roles.

**Q.8** (a) FDI **10**  
(b) International Working Capital Management.

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