

UNIT - IV

8. Explain the features and benefits of a forward contract. How is the exchange rate for a forwards contract determined ?
9. Write notes on :
- (a) Translation exposure
- (b) Country risk analysis

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**MBA 2Year 3rd Semester (N.S.)
Batch 2011-13 Examination-
December, 2016**

MULTINATIONAL FINANCIAL MGT.

Paper : MBA-312

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Section-A is compulsory. Attempt four questions from Section-B, selecting one question from each unit. All questions carry equal marks.

SECTION - A

1. Briefly explain the following :

- (a) Exchange rates.

- (b) BOP statement.
- (c) Costs associated with receivables.
- (d) American depository receipts.
- (e) Adjusted NPV.
- (f) Retention ratio.
- (g) Indirect quotation of exchange rate.
- (h) Double taxation.

SECTION - B

UNIT - I

- 2. Mention the broad features of the fixed parity system of exchange rate initiated by IMF during 1940s. Which factors were responsible for its collapse by early 1970s ?
- 3. Discuss in detail the finance function in multinational firms. How is it different from the finance function of domestic firms ?

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UNIT - II

- 4. What are the major issues in international cash management ? Discuss various modes of transfer of funds adopted by MNCs.
- 5. Write a note on the features and instruments of international money market.

UNIT - III

- 6. Differentiate between domestic and international capital budgeting. Which has greater degree of risk ? Why ?
- 7. Taking a hypothetical example, illustrate the computation of weighted average cost of capital. How does cost of capital impact capital structure decisions ?

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[Turn Over