

Roll No.

12088

**MBA 2 year 4th Semester
Examination – May, 2019**

INTERNATIONAL FINANCIAL MANAGEMENT

Paper : 17IMG24GI1

Time : Three Hours] [Maximum 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 examination.

Note : Attempt *all* questions. All questions carry equal marks.

SECTION – A

- 1. Write short notes on the following : 2 × 8 = 16**
- (a) Foreign Exchange Market.
 - (b) BOP.
 - (c) International Trade Flows.
 - (d) Import Vs Export.
 - (e) Euro- Equity Issues.
 - (f) Arbitrage Pricing Theory.

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(g) Centralized Cash Management System.

(h) Multinational Capital Structure.

SECTION – B

UNIT – I

2. What are the major challenges which the finance managers in developing countries are facing while taking decisions with respect to foreign business ? 16

OR

What is the primary goal of multinational companies ? Why is stockholder's wealth maximization more relevant than profit maximization ?

UNIT – II

3. Briefly discuss about the decentralized cash management system and its advantages and disadvantages. 16

OR

Explain the aspect of international cash management system ?

UNIT – III

4. Distinguish between 'Foreign Direct Investment' (FDI) and 'Portfolio Investment' and discuss the different strategies of Portfolio Investment. 16

OR

What do you understand by Foreign Exchange Rate ? What are the different external exposure management techniques which are used by importers and exporters ?

UNIT – IV

5. Differentiate between accounting exposure and economic exposure. Discuss the principal translation methods of foreign subsidiaries accounts. 16

OR

"In the absence of a common currency throughout the world, a series of problems arise in International Cash Management." What are these problems and how can these problems be overcome ?