MP-504

June - Examination 2026

Master of Business Administration (IInd Year) Examination

International Financial Management

Paper : MP-504

[*Time: **3** Hours*] [*Maximum Marks: **80***]

Note :- The question paper is divided into three Sections A, B and C. Write answers as per the given instructions in each section.

Section-A **8×2=16**

(Very Short Answer Type Questions)

Note :- Answer **all** questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries **2** marks.

1. (i) Define International Finance.

   (ii) Why the US dollar is widely traded in Foreign Exchange Markets?

   (iii) State the features of Futures Contracts.

   (iv) Name the types of Economic Exposure.

   (v) What is IMF?

   (vi) When was the World Bank established?

   (vii) Write a note on the New York Stock Exchange.

   (viii) Define ADR.

Section-B **4×8=32**

(Short Answer Type Questions)

Note :- Answer **any four** questions. You have to delimit your each answer maximum up to **200** words. Each question carries **8** marks.

2. Differentiate between Domestic Financial Management and International Financial Management with reference to their scope, objectives, and challenges.
3. Explain the various types of Foreign Direct Investment (FDI) and discuss their significance in international business operations.
4. Discuss the functions of the Foreign Exchange Market and explain the major characteristics and objectives of exchange control mechanisms.

5. Explain the major achievements of the International Monetary Fund (IMF) in promoting international monetary cooperation and financial stability.
6. Discuss the objectives and functions of the Asian Development Bank (ADB) and explain its role in economic development.
7. Explain the characteristics of International Stock Exchanges and discuss their importance in facilitating global investment activities.
8. Discuss the advantages of Global Depository Receipts (GDRs) as a source of international capital raising for companies.
9. Explain the various short-term financing instruments available in international financial markets and discuss their applications.

Section-C

2×16=32

(Long Answer Type Questions)

Note :- Answer **any two** questions. You have to delimit your each answer maximum up to **500** words. Each question carries **16** marks.

10. "As the level of internationalization increases, the complexity of business operations also increases." Analyze this statement and discuss the major challenges faced by multinational organizations in managing international financial activities.
11. Differentiate between spot exchange rates and forward exchange rates. Explain the advantages and limitations of forward exchange contracts as a tool for managing foreign exchange risk.
12. Critically examine the achievements and limitations of the World Bank in promoting economic development, poverty reduction, and infrastructure growth across developing nations.
13. Explain why the cost of capital for multinational corporations (MNCs) differs from that of domestic firms. Discuss the various factors influencing the cost of capital in an international business environment.
