

MP-504

December - Examination 2018

**Master of Business Administration - II Year
Examination****International Financial Management****Paper - MP-504****Time : 3 Hours]****[Max. Marks :- 80**

Note: The question paper is divided into three sections A, B and C. Write answers as per given instructions.

Section - A**8 × 2 = 16**

(Very Short Answer Questions)

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

- 1) (i) What is investment function?
- (ii) What is transaction cost?
- (iii) What do you mean by international monetary system?
- (iv) What is BOP?
- (v) What is Forex trading?
- (vi) What is spot exchange rate?
- (vii) What do you mean by Derivatives?

(viii) What is international Liquidity?

Section - B

4 × 8 = 32

(Short Answer Questions)

Note: Answer **any four** questions. Each answer should not exceed 200 words. Each question carries 8 marks.

- 2) What are the major differences between Domestic and International financial management?
- 3) Classify the financial market on the basis of maturity, Tenure and delivery.
- 4) Explain the various factors affecting International Trade Flows.
- 5) Distinguish between Balance of Trade and Balance of Payments? Also explain its characteristics and functions.
- 6) Describe the various financial instruments in Global foreign exchange market.
- 7) What do you mean by future contracts? Explain its features and advantages.
- 8) What is foreign exchange control? Explain its objectives.
- 9) Explain the various objectives of world bank.

Section - C**2 × 16 = 32**

(Long Answer Questions)

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

- 10) What do you mean by international financial market? Explain the various segments of it.
 - 11) 'IMF has lost its relevance in the present day context of international monetary system". Elucidate.
 - 12) Distinguish between fixed and floating exchange rates. In your opinion, which one is superior and why?
 - 13) Explain purchasing power parity (PPP). How would you determine whether purchasing power parity exists or not? Explain.
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