

12. “Balance of payments always balances, even than it may depict disequilibrium.” Elucidate this statement and also explain how the disequilibrium is traced in BOPs ?
13. Explain the concept of Interest Rate Parity. Provide a rationale for why interest rate parity may exist.

MP-504

December – Examination 2022

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.

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) What do you mean by Financing Function ?
- (ii) What is Corporate Risk Management ?

- (iii) What is Equity Market ?
- (iv) What is Cash or Spot Market ?
- (v) What do you mean by The Gold Standard ?
- (vi) What do you mean by Foreign Exchange Market ?
- (vii) What do you mean by Translation Exposure ?
- (viii) Write the name of any *two* types of International Market Indices.

Section-B **4×8=32**

(Short Answer Type Questions)

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

- 2. Briefly explain financial markets. Explain different segments of markets.
- 3. What are the major types of Cross Border Investment ? Enumerate the factors that drive cross border flows.
- 4. Distinguish between fixed and flexible exchange rates. In your opinion, which one is superior ? Explain reasons.

- 5. What do you mean by foreign exchange control ? Also explain the objectives of exchange control.
- 6. Explain the various types of foreign exchange exposure.
- 7. Discuss the achievements and failures of Asian Development Bank.
- 8. What do you mean by International Liquidity ? Why the problem of International Liquidity arose ?
- 9. What are the investment opportunities in Indian stock exchanges for investors ? Explain.

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. Define International Finance. What are the functions of International Finance ?
- 11. "IMF has lost its relevance in the present day context of International Monetary System". Elucidate.