

MP-504

June - Examination 2016

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 Type Questions)

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

- 1) (i) What is currency option?
- (ii) What was the main reason of establishing Asian Development Bank (ADB)?
- (iii) What do you mean by Balance of Payments (BOPs)?
- (iv) Define Forward Exchange Rate.
- (v) Which international institution provides loan for correcting disequilibrium in balance of payments?
- (vi) What is transaction exposure?

- (vii) What do you understand by international liquidity?
- (viii) Mention the names of two important Asian Stock Exchanges.

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) Explain in brief about the long-term financial sources.
- 3) Throw light on the achievement of International Monetary Fund.
- 4) Advance important arguments in favour of floating exchange rates.
- 5) Why is foreign direct investment preferred over the portfolio investment?
- 6) How disequilibrium is traced in Balance of Payments (BOPs)?
- 7) Explain the ways for managing operating exposure.
- 8) Why the problem of international liquidity had arisen?
- 9) Write a brief note on International Stock Exchanges.

Section - C**2 × 16 = 32**

(Long Answer Type Questions)

Note: Answer **any two** questions. Each answer should not exceed 500 words. Each question carries 16 marks.

- 10) Examine critically the purchasing power parity theory of exchange rate determination.
 - 11) Discuss the success and failures of world bank.
 - 12) Write a detailed critical note on Bretton Woods system.
 - 13) Throw light on the characteristics of global financial markets. Support your answer with facts and logic.
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