

SANT GADGE BABA AMRAVATI UNIVESRITY, AMRAVATI

H.V.P.M's

COLLEGE OF ENGINEERING & TECHNOLOGY, AMRAVATI

Masters of Business Administration (Bi – Annual Pattern)

Semester – III Examination of summer 2020

INTERNATIONAL FINANCIAL MANAGEMENT

Max time:- 1 Hour

Max. Marks:- 20 Marks

N. B.

1) Figures to the right indicate marks

2) Each question carries 10 marks.

3) Need to solve any TWO sections.

Q – 1)

1.1) Define financial system. 2 M

1.2)What do you mean by short term assets? 2 M

1.3)Explain the concept of cost of debt? 2 M

1.4) Define capital budgeting? 2 M

1.5) Explain the concept of country risk? 2 M

Q – 2)

2.1)What do you mean by multinational financial management. 2 M

2.2) Give the formula of Cost of Retained Earning and state its content? 2 M

2.3) Explain the steps involved in foreign investment decision. 2 M

2.4) Write short note on taxation of multinational firm. 2 M

2.5) State the concept of Foreign Exchange Operating Exposure. 2 M

Q – 3)

3.1)Explain the role of IMF? 2 M

3.2)Explain any two points of difference between short term assets and liabilities? 2 M

3.3) What do you mean by explicit and implicit cost of capital. 2 M

3.4) Explain net operating income (NOI) approach? 2 M

3.5) Define the concept of political risk? 2 M

Q – 4)

4.1)

1) The core of the Brettonwoods system was the _____ . 1 M

- a) World bank**
- b) IMF**
- c) United nations**
- d) Interstate commerce commission**

2) What promoted Brettonwoods Agreements? 1 M

- a) To set up a system that would maintain a stable exchange rate system**
- b) To create a flexible exchange rate system**
- c) To stop world war II**
- d) Eradicate the economic difficulties brought in by world war II**

4.2)

1) Majority of retail forex trading happens in _____ 1 M

- a) Forward market**
- b)spot market**
- c)future market**
- d)swap market**

2) The immediate exchange of one currency for another is a _____ 1 M

- a)forward transaction**
- b)spot transaction**
- c)money transaction**
- d)exchange transaction**

- 4.3) Explain the concept of Weighted Average Cost of Capital? 2 M**
- 4.4) Explain the concept of dividend policy of the multinational firm? 2 M**
- 4.5) Explain the concept of debt and foreign exchange exposure? 2 M**

HVP/MBA