

Code: 9E00404a

MBA IV Semester Regular & Supplementary Examinations, July 2013

INTERNATIONAL FINANCIAL MANAGEMENT

Time: 3 hours

Max Marks: 60

Answer any FIVE questions
All questions carry equal marks

- 1 Explain:
 - (a) Foreign exchange market.
 - (b) Foreign exchange transactions.
- 2 What are the main summary statements of the BOP accounts and what do they measure?
- 3 What are the advantages and disadvantages of fixed exchange rates?
- 4 Explain why foreign currency cash balances do not cause transaction exposure.
- 5 (a) How is expropriation risk factored into the capital budgeting analysis of a foreign project?
 - (b) What are the factors that add complexity?
- 6 How does increased availability of capital to multinational firms impact their cost of capital?
- 7 What is the financial manager's role in management of inventory?
- 8 What are the different modes of internal fund transfers available to a MNC?
