

**MASTER OF BUSINESS ADMINISTRATION
(MBAEV)**

Term-End Examination

December, 2013

**MCNE-040 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

Note : (i) Attempt *any five* questions.

(ii) All questions carry *equal* marks.

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| 1. | Discuss in brief the various instruments of long term borrowing in the international market. | 20 |
| 2. | Discuss the various issues involved in the international project appraisal. | 20 |
| 3. | (a) What are various methods of payment in international market. | 10 |
| | (b) Briefly explain the letter of credit mechanism. | 10 |
| 4. | (a) What is Bretton Woods System ? | 10 |
| | (b) What are the reasons of collapse of this system ? | 10 |
| 5. | Explain and compare three theories of exchange rate determination. | |
| | (a) Purchasing Power Parity (PPP) | 7 |
| | (b) Interest Rate Parity (IRP) | 7 |
| | (c) International Fisher Effect (IFE) | 6 |

6. Write short notes on **any four** : **4x5=20**
- (a) The Gold Standard 1876-1913
 - (b) The Bretton Woods System 1945-1972
 - (c) Flexible (Floating) System
 - (d) The European Monetary System
 - (e) Interest rate swap
 - (f) Currency swap
7. What are various options available for international equity investment ? Explain any one in detail. **20**
8. What is Euro dollars system ? How is it useful to both borrowers and lenders ? **20**
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