

**MASTER OF BUSINESS ADMINISTRATION  
(MBA CN)**

**Term-End Examination**

**December, 2012**

**MCNE-006 : INTERNATIONAL FINANCIAL  
MANAGEMENT SET I**

*Time : 3 hours*

*Maximum Marks : 100*

*Note : Attempt any 5 questions. All questions carry equal marks.*

1. Discuss the effect of globalisation on the multinational firm. 20
2. Explain Purchasing Power Parity theory and give its criticism. 20
3. Explain the role of Foreign Direct Investment in the economic development of a country. 20
4. What are the factors that cause fluctuations in the rate of exchange between the two currencies ? Explain. 20
5. Write notes on the following : 20
  - (a) Interest rate swap
  - (b) International banking

6. Explain the various strategies for managing exchange rate fluctuation risk. 20
  7. Write notes on the following : 20
    - (a) Hedging
    - (b) International tax environment
  8. Explain the concept and operations of foreign exchange markets. 20
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