

MASTER OF BUSINESS ADMINISTRATION
(MBAEV)

Term-End Examination

June, 2013

MCNE-042 : TREASURY MANAGEMENT

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions.

1. Explain different kinds of risk and the method available in managing them. 20
2. What are the major roles that the Chief Finance Officer (CFO) of a firm is expected to play in today's business environment ? Discuss the functions to be performed by the financial officer. 20
3. What is interest rate risk ? How are values of bonds affected when the market rate of interest changes ? Illustrate your answer. 20
4. Comment on the following : 10+10
 - (a) "Profit maximization is not an operationally feasible criterion".
 - (b) "Liquidity and profitability are competing goals for the treasury manager".

5. Elaborate the economic problems which various kinds of imbalances in international flows could create. What measures would you recommend to correct such imbalances ? 20
6. (a) "Free trade is beneficial to all" comment.
(b) Briefly describe the concept of assets and liability management. 10+10
7. Write short notes on *any two* of the following :
(a) Financial sector reforms 10+10
(b) Social cost benefit analysis
(c) Economic Value Added (EVA)
8. Explain the term 'Transfer Pricing'. Discuss various methods of transfer pricing. 20
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