

**MASTER OF BUSINESS ADMINISTRATION
(MAFCI)**

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**Term-End Examination
December, 2013**

**MCNE-070 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

Note : (i) *Attempt any five questions.*
(ii) *All carry equal marks.*

1. Briefly explain impact of macro-economic factors on exchange rates. What is the need to control exchange rates by central bank ? Quote two strategies adopted by RBI recently to protect the declining rupee.
2. What is foreign exchange risk ? How it is managed ?
3. Economic exposure is managed through various marketing, production and financial management strategies, as the traditional hedging tools are not appropriate techniques for managing economic exposure. Discuss different types of production strategies a firm can adopt to manage economic exposure.
4. List the advantages of ADR/GDR in mobilizing capital from international markets.

5. What is international cost of capital ? How its computation is different from domestic one ?
 6. In view of the recent global financial crisis, comment on the current state of Global Financial Markets.
 7. Briefly describe the following :
 - (a) Euro Bond Market
 - (b) International Fund Transfer Systems
 8. List the various function of international Finance Market. Give appropriate examples.
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