

3M3112

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**3M3112**

**M. B. A. III Sem. (Main/Back) Exam., Jan. 2016**

**M-311 International Financial Management**

**(Major-II)**

**Time: 3 Hours**

**Maximum Marks: 70**

**Min. Passing Marks: 28**

*Instructions to Candidates:*

- (i) *The question paper is divided in two sections.*
- (ii) *There are sections A & B. Section A contains 6 questions out of which the candidate is required to attempt any 4 questions. Section B contains short case study / application based question which is compulsory.*
- (iii) *All questions carry equal marks.*

1. NIL

2. NIL

### **SECTION-A**

- Q.1 Critically analysis the recent trends of International financial management. [14]
- Q.2 Describe exchange rate mechanism and explain the reasons for fluctuations taking place in exchange rates. [7+7=14]
- Q.3 Explain the verious methods used to raise capital from International financial market. [14]
- Q.4 What do you understand by balance of payments? Explain various types of accounts in it. [7+7=14]

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Q.5 Write short notes on:-

- (a) Adam smith's absolute cost advantage theory [7]
- (b) Recardo's comparative cost advantage theory [7]

Q.6 Write short notes on:-

- (a) Spot market and Forward market [7]
- (b) Interest rate parity theory [7]

### SECTION-B

Q.7 (a) What is the INR/EUR cross for following set of prices? [7]

	Bid	Offer
USD/EUR	0.9785	0.9789
INR/USD	7.5853	7.5865

(b) If following set rates is given then calculate forward rates over each of the four year. [7]

Year	Spot Rate
1	6%
2	7%
3	9%
4	8%