

Code No: **21BA4T5FA****II MBA - II Semester - Regular Examinations - JULY 2023****GLOBAL FINANCIAL MANAGEMENT**

Duration: 3 Hours

Max. Marks: 70

- Note: 1. This question paper contains three Parts-A, Part-B and Part-C.
 2. Part-A contains 8 short answer questions. Answer any **Five** Questions.
 Each Question carries 2 Marks.
 3. Part-B contains 5 essay questions with an internal choice from each unit.
 Each Question carries 10 marks.
 4. Part-C contains one Case Study for 10 Marks.
 5. All parts of Question paper must be answered in one place

BL – Blooms Level

CO – Course Outcome

PART - A

		BL	CO
1. a)	Discuss the different areas that IFM covers.	L2	CO1
1. b)	Describe the EXIM policy.	L1	CO1
1. c)	Explain the meaning of Gold Standard.	L2	CO2
1. d)	Discuss about Bretton Woods System.	L2	CO2
1. e)	Define Interest Rate Parity.	L1	CO3
1. f)	Explain International Fisher Effect.	L1	CO3
1. g)	List out the functions of Euro Currency Market.	L1	CO4
1. h)	Explain the impact of Equity Financing.	L2	CO5

PART – B

			BL	CO	Max. Marks
<u>UNIT – I</u>					
2.	a)	Summarise in what way the exchange rate fluctuations reflect in the BoP.	L2	CO1	5 M
	b)	Illustrate some of the key regulations and guidelines that impact IFM.	L3	CO1	5 M
OR					
3.	a)	Summarise some of the recent challenges facing in IFM.	L2	CO1	5 M
	b)	Discuss the objectives of IFM and its impact on global financial markets.	L2	CO1	5 M
<u>UNIT – II</u>					
4.	a)	Describe the advantages and disadvantages of the Gold Standard system.	L2	CO2	5 M
	b)	Compare the Bretton Woods system differs from the Gold Standard.	L2	CO2	5 M
OR					
5.	a)	Describe the key milestones in the development of the Global Monetary System.	L2	CO2	5 M
	b)	Differentiate between Bretton Woods System with Gold Standard.	L2	CO2	5 M
<u>UNIT-III</u>					
6.	a)	Explain the interrelation of inflation, interest rates, and exchange rates.	L2	CO3	5 M

	b)	Illustrate international arbitrage and how does it work in the foreign exchange market.	L3	CO3	5 M
OR					
7.	a)	Explain the primary functions of the foreign exchange market.	L2	CO3	5 M
	b)	Demonstrate the process of arbitrage in the foreign exchange market.	L2	CO3	5 M
<u>UNIT – IV</u>					
8.	a)	Illustrate currency futures and how do they differ from the spot foreign exchange market.	L3	CO4	5 M
	b)	Discuss currency futures and options market help to manage currency risk.	L2	CO4	5 M
OR					
9.	a)	Summarize some of the key challenges faced by investors who trade in the International stock market.	L2	CO4	5 M
	b)	Discuss about Euro bond market and what types of bonds are traded in this market?	L2	CO4	5 M
<u>UNIT – V</u>					
10.	a)	Explain the functions of long-term asset-liability management and its importance for multinational corporations.	L4	CO5	5 M
	b)	Interpret the features of International capital budgeting and how does it differ from domestic capital budgeting.	L2	CO5	5 M
OR					

11.	a)	Summarise the advantages and disadvantages of bond financing for multinational corporations.	L5	CO5	5 M
	b)	Illustrate Inventory Management and why is it important for multinational corporations.	L2	CO5	5 M

PART –C

			BL	CO	Max. Marks
12.		<p>Case Study: International Investment</p> <p>ABC Corporation, based in the United States, is considering investing in a project in Europe. The project requires an initial investment of €5 million and is expected to generate cash flows of €1.5 million per year for the next five years. The current exchange rate is €1 = \$1.20. The project's cash flows are denominated in euros, and the required rate of return is 10%.</p> <p>Questions:</p> <ul style="list-style-type: none"> • Calculate the Net Present Value (NPV) of the project in euros. • Calculate the NPV of the project in dollars. • Decide ABC Corporation invest in this project. 	L3 L5	CO5	10 M