

**II MBA - II Semester – Regular / Supplementary Examinations
JULY 2022**

GLOBAL FINANCIAL MANAGEMENT

Duration: 3 hours

Max. Marks: 60

SECTION – A

1. Answer the following:**5 x 2 = 10 M**

- a) Explain recent challenges of IFM.
- b) What is a flexible exchange rate regime?
- c) Explain the process of arbitrage.
- d) Explain about the Euro currency market.
- e) Explain about parallel loans.

SECTION – B

Answer the following:**5 x 8 = 40 M**

2. a) Explain the factors responsible for growing importance of International Financial Management.

(OR)

- b) Dissect about the different types of accounts of BOP. Can a country run a current account deficit (surplus) indefinitely? Give reasons.

3. a) Explain the Evolution of International Financial System.

(OR)

b) Assess what is EMU? Explain its advantages and disadvantages.

4. a) What do you mean PPP? Explain international Fisher Effect.

(OR)

b) Elaborate the Forex Risk and country specific risk, describe how it effects the exchange rate?

5. a) Determine the significance of Euro credit market and Eurobond market.

(OR)

b) Discuss the advantages & disadvantages of International stock market.

6. a) How do you compute the cash flow in international capital Budgeting?

(OR)

b) Explain about short term asset liability Management.

SECTION-C

7. Case Study

1x10=10 M

Find the balance of trade, balance of current account and the overall balance of payments with the help of the following figures:

Item	Debit Rs. million	Credit Rs. million
Trade in goods	55,383	38,285
Services, such as travel, transport and others	11,865	15,720
Statistical discrepancy	-	323
Unilateral transfer	34	12,672
Foreign investment	7,123	12,240
External assistance	2,183	3,074
External commercial borrowings	2,874	3,207
Investment	5,490	1,931
Banking capital	8,532	11,259
Dollar debt service	711	
Other capital transactions	2,510	4,018