Enrollment No:	Exam Seat No:
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C.U.SHAH UNIVERSITY

Summer Examination-2017

Subject Name: International finance

Subject Code: 5MS03IFC1 Branch:M.B.A

Semester: 3 Date: 27/03/2017 Time:10.30 To 01.30 Marks: 70

Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

SECTION - I

			SECTION -1	
Q-1			Attempt the Following questions	(07)
		a.	How can you define multinational corporation?	01
		b.	Define the term FDI.	01
		c.	Explain the concept of Zero coupon bonds	01
		d.	Give the full name of OTC market	01
		e.	Give the full name of ADR	01
		f.	Give the full name of LIBOR	01
		g.	Give the full name of NAFTA	01
Q-2			Attempt all questions	(14)
	1		Write short notes on Market Participants in Foreign Exchange Market.	07
	2		Explain the basic difference between the operation of a currency forward market and future markets.	07
			OR	
Q-2	1		Attempt all questions Foreign Exchange rate forecasting techniques are classified into three distinct approaches- Discuss in details.	(14) 07
	2		What do you mean by Financial Hedging? Discuss the five steps for financial hedging.	07
Q-3	1		Attempt all questions Describe the accounting principles in balance of payment with valuation and timing.	(14) 07



	2		How is international financial management different from domestic financial management? Discuss	07
			OR	
Q-3	1		Why do firms invest overseas?-Explain.	07
	2		Give difference between systematic risk and unsystematic risk.	07
			SECTION – II	
Q-4			Attempt the Following questions	(07)
		a.	What is triangular arbitrage?	01
		b.	Write the objective of financial hedging	01
		c.	What do you mean by temporal method?	01
		d.	What is currency against currency trade?	01
		e.	What do you mean by green field investment?	01
		f.	Explain the meaning of Swap transaction	01
		g.	Give the full name of FASB.	01
Q-5			Attempt all questions	(14
	1		What are the functions of EXIM Bank? Explain.	07
	2		What are the objectives of Bretton wood system? Discuss.	07
			OR	
Q-5	1		Write note on Documents require for export- import.	07
	2		How would you define economic exposure to exchange rate? Describe.	07
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Q-6	1		Attempt all questions Evaluir have a country can are avarall belongs of neumants deficit or surplus?	(14)
	1 2		Explain how a country can run an overall balance of payments deficit or surplus?	07 07
	<i>L</i>		How does letter of credit operate? Describe	U/
			OR	
Q-6			Attempt all Questions	
	1		Write a note on the mechanics of interbank trading.	07
	2		Discuss the stages of evaluation of the international monetary system	07

