



**MBA DEGREE EXAMINATIONS: NOV /DEC 2024**

(Regulation 2021)

Third Semester

**MASTER OF BUSINESS ADMINISTRATION**

P21MBE0150: International Finance

**COURSE OUTCOMES**

**CO1:** Explain the concepts of International Finance , Exchange rates ,Exchange rate systems basics of Behavioral Finance and Behavioral biases.

**CO2:** Appraise the International Parity Theories and Balance of Payments.

**CO3:** Explain the International risk management and the functions of International financial institutions.

**Time: Two Hours**

**Maximum Marks: 50**

**PART A (1 x 10 = 10 Marks)**

1 Explain the key components of balance of payment statement with examples CO1 [K<sub>5</sub>]

**PART B (5 x 2 = 10 Marks)**

2 Explain the functions of foreign exchange market CO1 [K<sub>5</sub>]

3 Interpret the factors affecting on exchange rate movements and explain the decisions taken by exporters and importers while experiencing depreciation of domestic currency CO1 [K<sub>5</sub>]

4 Discuss the types of exchange rate systems prevailing in the forex market CO1 [K<sub>5</sub>]

5 Explain the purchasing power parity theory CO3 [K<sub>5</sub>]

6 Distinguish between transaction exposure and translation exposure CO3 [K<sub>4</sub>]

**PART C (3 x 10 = 30 Marks)**

7 Discuss different methods for reducing exchange risk with hedging principle with examples. Explain aall concepts about forward, futures, options and swap CO3 [K<sub>6</sub>]

8 Explain the reasons for balance of payment crisis-1991 in India, CO3 [K<sub>6</sub>]

evaluate the Balance of payment situation of India in 2023. Suggest remedial measures to overcome the BOP crisis in future

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Distinguish fixed exchange rate, floating exchange rate and managed exchange rate system

CO1 [K<sub>5</sub>]

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