



MBA DEGREE EXAMINATIONS: NOV /DEC 2024

(Regulation 2021)

Second 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: Three Hours

Maximum Marks: 100

PART A (5Q x 4 Marks = 20 Marks) Answer Any 5 Questions Only

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| 1 | Explain the functions of foreign exchange market | CO1 [K ₅] |
| 2 | Explain the key components of current account in balance of payment statement | CO1 [K ₅] |
| 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 ₅] |
| 4 | Discuss the types of exchange rate systems prevailing in the forex market | CO1 [K ₆] |
| 5 | Explain the purchasing power parity theory | CO3 [K ₅] |
| 6 | Distinguish between transaction exposure and translation exposure | CO3 [K ₄] |
| 7 | Distinguish between current account and capital account | CO3 [K ₄] |

PART B (5Q x 6 Marks = 30 Marks) Answer Any 5 Questions Only

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| 8 | Explain the various types of international equity instruments available in international financial market | CO3 [K ₅] |
| 9 | Elaborate the types and functions of currency derivatives in forex market | CO3 [K ₆] |
| 10 | Explain the evolution of international monetary system | CO3 [K ₅] |

11	Discuss the theories of international trade	CO2 [K ₆]
12	Elaborate the types of players and their activities in forex market	CO1 [K ₆]
13	Explain the important functions of WTO	CO1 [K ₅]
14	Analyze the foreign trade policy of India and its effect on economy	CO1 [K ₄]
Part – C (5Qx10 Marks = 50 marks) Answer Any 5 Questions Only		
15	Can \$ 1.317 per us \$ (spot) Can \$ 1.2950 per us \$ (6 months forward) 6-month interest rate- USD 10%, CAN \$ 6%, Evaluate the covered interest arbitrage	CO2 [K ₅]
16	Elaborate the types and functions of currency derivatives in forex market	CO3 [K ₆]
17	Discuss different methods for reducing exchange risk with hedging principle with examples	CO3 [K ₆]
18	Explain the concept of international fisher effect	CO2 [K ₅]
19	Explain the reasons for balance of payment crisis-1991 in India, evaluate the Balance of payment situation of India in 2023. Suggest remedial measures to overcome the BOP crisis in future.	CO3 [K ₅]
20	Discuss the important types of risk involved in trade finance	CO3 [K ₆]
21	Distinguish fixed exchange rate, floating exchange rate and managed exchange rate system	CO1 [K ₅]
