

SVKM's NMIMS

School of Distance Learning

Programme: PGDFM/PGDBFM/ADBFM

Academic Year: 2011-2012

Subject: International Financial Management

Date: 29.12.2011

Semester III

Marks: 70

Time: 3.00 p.m to 6.00 p.m

Course old

Instructions: Candidates should read carefully the instructions printed on the question paper and on the cover of the Answer Book, which is provided for their use.

Q1) Write Short notes on any 2 out of 4

(10 Marks)

- a) Eurobond Market.
- b) Letter of credit.
- c) Forward Contracts.
- d) Balance of Payments

Q2) Attempt any 2 out of 5

(10 Marks)

- a) How are leads and lags helpful in international cash management?
- b) Briefly explain the chain method of marking cross rates in foreign exchange market.
- c) Discuss the various exchange rate forecasting methods.
- d) Is Current account deficit good for a developing economy like India? Discuss.
- e) What are Multiple Currency Bonds?

Q3) Attempt any 3 out of 5

(30 Marks)

- a) What is systematic risk? How far can international diversification reduce such risk?
- b) Strong Trade name v/s Technological Lead, as a direct international investment strategy – discuss with help of relevant examples.
- c) Role of EXIM Bank in foreign trade financing - discuss.
- d) Discuss Hedging as a tool to minimize foreign exchange risk.
- e) "The ever changing & evolving international financial system poses new threats & provides new opportunities for financial managers in developing countries". Elaborate.

Q4)

(20 Marks)

- a) Discuss the various risks faced by Firms operating in the International Markets. How does one mitigate such risks?
- b) Explain the Interest rate parity theorem with real life examples.

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