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Narsee Monjee Institute of Management Studies(NMIMS)

School of Distance Learning (Year 2009-10)

PGDFM/DITM/PGDITM/ADITM

DATE: 11-01-2010

Year: I/II

Semester IV/II(2009-10)

TIME: 3 PM TO 6 PM

Subject: International Business Finance

Marks:100

Time-3 hrs

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.

Question 1 (Attempt any two out of four) 10 marks

- Is a floating –rate system more inflationary than a fixed exchange rate system? ✓
- What were the basic weaknesses of the Brettonwoods system??
- Differentiate between euro Bonds&Foreign Bonds ✓
- What is loan syndication? ✓

Question 2 (Answer any three out of 5) 15 marks

Write Short notes on (Any Three)

- Loan pricing ✓
- Balance of payments ✓
- Forex market ✓
- Central bank Intervention ✓
- Functions of merchant bankers ✓

Question 3 (Attempt any three out of 5) 45 marks

- Write a brief note on currency derivatives market in India
- What is transaction exposure? Describe the various techniques available to manage the same by the corporates
- What are the principal stages in the development of multinational corporation?

d. What is Adjusted Present Value (APV)? Why is it more suitable for international project appraisal?

e. Discuss the possible issues in the taxation of business investment abroad

Question 4 (Answer in detail the following two questions) 30 marks

1. Why do capital structures adopted by different companies in different countries differ? Explain with examples.
2. Documentary credits are synonymous with international trade. Discuss