

Roll No.

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May, 2019

MBA(IB) - IV SEMESTER

International Financial Management (MBA/IBM 213)

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) Distinguish between international financial management and domestic financial management. (1.5)
- (b) Name any *three* instruments of international finance. (1.5)
- (c) What do you mean by optimizing cash flows? (1.5)
- (d) How financial manager can assess country risk in capital budgeting decisions? (1.5)
- (e) Write a short note on Arbitrage Pricing Theory. (1.5)
- (f) What is meant by investment criteria for cash management? (1.5)

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- (g) Write a short note on international portfolio? (1.5)
- (h) Define Multinational capital structure. (1.5)
- (i) Explain the factors determining financial structure of foreign subsidiaries of MNCs. (1.5)
- (j) Name any *three* financial choices for an MNC and its foreign affiliates. (1.5)

PART-B

- 2. (a) What finance function a financial manager need to perform in a multinational firm? (10)
- (b) Explain the structure of international financial markets. (5)

- 3. (a) What are the different aspects of international cash management? (5)
- (b) Distinguish between centralized and decentralized cash management? (10)

- 4. (a) Explain in detail international CAPM and Roll's critique. (10)
- (b) How international tax can be strategically adjusted? (5)

- 5. (a) Explain the factors affecting cost and availability of international financial flows. (5)
- (b) How cash management effect the value of the firm? (10)

- 6. (a) Write a note on International portfolio versus direct investment. (5)
- (b) What do you mean by capital budgeting for foreign investment? Explain any *two* techniques of capital budgeting with examples. (10)

- 7. (a) What are the barriers in international portfolio diversification? Explain any *two* techniques of international portfolio diversification. (10)
- (b) Explain the strategies for managing currency risk. (5)