

Roll No.

Total Pages : 3

701334

December 2022

MBA - III SEMESTER

International Financial Management (MS-IB-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. Write short notes on :
 - (a) Difference between international financial management and financial management. (1.5)
 - (b) Arbitrage Pricing Theory. (1.5)
 - (c) Multinational company *versus* national company. (1.5)
 - (d) International portfolio diversification. (1.5)
 - (e) Centralized *vs.* decentralized cash management. (1.5)

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- (f) International bond financing. (1.5)
- (g) Determining financial structure of foreign subsidiaries of MNC's. (1.5)
- (h) Euro-equity issues. (1.5)
- (i) Determinants of investment decisions in cash or liquid assets. (1.5)
- (j) How cash management effect the value of the international firm? (1.5)

PART-B

- 2. (a) What is the economic framework of International Financial Management? (10)
- (b) Discuss the role of International Financial manager. (5)
- 3. Discuss the effects of international operations on the market value of the international firm? (15)
- 4. (a) What payment instruments are you using to pay suppliers, employees, and government entities? (5)
- (b) What techniques, such as remote disbursement, are being used to prolong payment cycle? (5)
- (c) How long does it take suppliers to process the various instruments and present them for payment? (5)

- 5. (a) What is the difference between international portfolio and direct investment? (5)
- (b) Write a detailed note on international CAPM model. (10)
- 6. (a) What factors should be considered in deciding whether the cost of capital for a foreign affiliate should be higher, lower, or the same as the cost of capital for a comparable domestic operation? (10)
- (b) How strategic adjustment of taxation can effect international capital budgeting decisions? (5)
- 7. (a) What is the role of finance in protecting against exchange risk? (7.5)
- (b) What marketing and production techniques can firms initiate to cope with exchange rate? (7.5)