

Roll No.

Total No. of Pages : 03

Total No. of Questions : 17

**MBA(Sem.-4)**  
**INTERNATIONAL FINANCE & FINANCIAL DERIVATIVES**

Subject Code : MBA-915-18

M.Code : 77814

Date of Examination : 17-07-22

Time : 3 Hrs.

Max. Marks : 60

**INSTRUCTIONS TO CANDIDATES :**

1. SECTION-A contains EIGHT questions carrying TWO marks each and students have to attempt ALL questions.
2. SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and students have to attempt any ONE question from each Subsection.
3. SECTION-C is COMPULSORY and consist of ONE Case Study carrying TWELVE marks.

**SECTION-A**

**Write short notes on the following :**

1. Discuss challenges of International Financial Management.
2. BOP
3. Direct Quote
4. PPP
5. ADR'S
6. Options
7. Derivatives
8. Transaction Exposure

## **SECTION-B**

### **UNIT-I**

9. Discuss nature and scope of International Finance? Elaborate recent changes in the subject of International Finance?
10. Write a note on :
  - a. Gold Standard
  - b. Economics and Monetary Union

### **UNIT-II**

11. Explain PPP Theory in detail. Critically evaluate this theory.
12. Write a Note on:
  - a. EXIM Bank
  - b. World Bank

### **UNIT-III**

13. What do you mean by Derivatives? Explain different types of derivatives and their importance.
14. Explain Option Contracts. Explain different option trading strategies.

### **UNIT-IV**

15. What do you mean by swaps? Explain importance and Pricing Strategies of Swaps.
16. What is economic exposure? Explain measurement and management of economic exposure.

## SECTION-C

17. When the euro was introduced in January 1999, the United Kingdom was conspicuously absent from the list of European Countries adopting the common currency. Although the previous labour Government led by Prime Minister Tony Blair appeared to be in favour of joining the euro club, the current Tory Government was not in favour of adopting the euro and thus giving up monetary sovereignty of the country. Public opinion was also divided on the issue.

Whether the United Kingdom will eventually join the euro club is a matter of considerable importance for the European Union as well as that of the United Kingdom. If the United Kingdom, with its sophisticated finance industry, joins, it will most certainly propel the euro into global currency status rivalling the U.S.Dollar. The United Kingdom for its part will firmly join the process of economic and political unionization of Europe, abandoning its traditional balancing role.

- a. Explain the problem discussed in the case study above.
- b. Explain the political and economic condition of United Kingdom at that time.
- c. Elaborate potential benefits and cost of adopting the Euro.
- d. Elaborate in your own words the Potential impact of British adoption of the Euro on the International Financial System.

**NOTE : Disclosure of Identity by writing Mobile No. or Marking of passing request on any paper of Answer Sheet will lead to UMC against the Student**