

Roll No.

Total No. of Pages : 03

Total No. of Questions : 10

MBA (Sem.-4)

INTERNATIONAL FINANCE & FINANCIAL DERIVATIVES

Subject Code : MBA-915-18

M.Code : 77814

Date of Examination : 04-05-2024

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

1. Write short notes on the following :

- a) BOP
- b) Secondary Market
- c) Difference between Future and Forward
- d) GDR
- e) Fisher Effect
- f) Calendar Spreads
- g) Hedging Technique
- h) Country risk analysis.

SECTION-B

UNIT-I

2. Write a short note on Bretton Wood System and Floating Rate System.
3. What are the various transaction conducted in the foreign exchange market? Explain.

UNIT-II

4. Explain the guidelines regarding External Commercial Borrowings (ECB).
5. What do you mean by Purchasing Power Parity (PPP)? Explain with the help of an example.

UNIT-III

6. What is the difference between exchanges traded derivative and OTC market derivatives?
7. What do you mean by option contracts? Explain spread including butterfly spread in detail.

UNIT-IV

8. What is economic exposure? Explain the significance of economic exposure in foreign exchange market.
9. What do you mean by credit derivative? Explain pricing model of credit derivative in detail.

SECTION-C

10. Case Study:

A Company's Expansion into Emerging Markets Background :

ABC. Inc. is a US-based multinational company that produces and sells consumer electronics. The company has been experiencing slow growth in its home market and is looking to expand into emerging markets to increase its revenue and profitability. The company's management team has identified Brazil and India as potential markets for expansion.

Questions:

- a) What factors should ABC Inc. consider when deciding to expand into emerging markets such as Brazil and India?
- b) How can ABC Inc. assess the political and economic risks associated with doing business in Brazil and India?

- c) What are the potential financial risks associated with expanding into emerging markets?
- d) What measures can ABC Inc. take to ensure that its expansion into emerging markets is sustainable and profitable in the long term?

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