H.T.No. | | | | | | | | | | |

Code No: BA1928 **GEC-R14**

MBA IV Semester Regular Examinations, June 2016

INTERNATIONAL FINANCIAL MANAGEMENT

(**Master of Business Administration**)

Time: 3 Hours **Max. Marks: 60**

Note: Answer All Sections of Questions
All Questions from **SECTION-A** are to be answered at one place.

SECTION-A

6 × 2 = 12M

1. What is Dollarization?
2. Define Purchasing Power Parity.
3. What are the basic principles of cash flow estimation?
4. What are the benefits of centralized cash Management?
5. What is Price Quotation?
6. What is Earnings Price Ratio?

SECTION-B

3 × 12 = 36M

1. a) Explain International Business Methods.

(OR)

b) Explain the evolution of International Monetary system.

2. a) Compare three kinds of exposure- transactions, translation and economic.

(OR)

b) Explain the Structure of Foreign Exchange Market and types of transactions involved in that?

3. a) Explain the Relationship between inflation, interest rates and exchange rates.

(OR)

b) Explain the various ways of investing through deposit receipt schemes like ADRs or GDRs.

SECTION-C

1 × 12 = 12M

CASE STUDY:

Jim Logan's business, the sports exports company, continues to grow. His primary product is footballs he produces and exports to a distributor in United Kingdom. However, his recent joint venture with a British firm has also been successful. Under this arrangement a British firm produces other sporting goods for Jim's firm; these goods are then delivered to that distributor. Jim internationally started his international business by exporting because it was cheaper and easier to export than to establish a place of business in the United Kingdom. However he is considering establishing a firm in the United Kingdom to produce the foot ball's there instead of in his garage (in the US). This firm would also produce the other sporting goods that he now sells, so he would no longer have to rely on another British firm (through the Joint Venture) to produce the goods.

Questions

1. Given the information provided here, what are the advantages to Jim of establishing the firm in United Kingdom?
2. Given the information provided here, what are the disadvantages to Jim of establishing the firm in United Kingdom?

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