



R22 Regulation

Subject code: D144FE1

TKR COLLEGE OF ENGINEERING AND TECHNOLOGY

(Autonomous, Accredited by NAAC with 'A+' Grade)

MBA IV Semester Supplementary Examinations, February 2025

INTERNATIONAL FINANCIAL MANAGEMENT

Maximum Marks: 60

Date:06.02.2025

Duration: 3 hours

- Note:**
1. This question paper contains two parts A and B.
 2. Part A is compulsory which carries 10 marks. Answer all questions in Part A.
 3. Part B consists of 5 Units. Answer any one full question from each unit.
 4. Each question carries 10 marks and may have a, b, c, d as sub questions.

Part-A		CO	Bloom Tx
All the following questions carry equal marks (10X1M=10 Marks)			
1.a)	Define international business.	CO1	L1
b)	State the nature of IFM.	CO1	L1
c)	Define gold standard.	CO2	L1
d)	What is flexible exchange rate system?	CO2	L1
e)	Define option.	CO3	L1
f)	What is an international stock market?	CO3	L1
g)	Define transaction exposure.	CO4	L1
h)	Define international arbitrage.	CO4	L1
i)	Define FDI.	CO5	L1
j)	Define cost of capital.	CO5	L1
Part-B			Bloom Tx level
Answer All the following questions. (5X10M=50Marks)			
2	What do you understand by International Financial Management? Explain the differences between Domestic FM and IFM. [10M]	CO1	L2
OR			
3	Explain the different International Business Models. [10M]	CO1	L2
4	Explain the current exchange rate arrangements. How does exchange rate regime effect on International Monetary System? [10M]	CO2	L2
OR			
5	Explain salient features of Bretton Wood's System. Discuss the reasons for its failure. [10M]	CO2	L2
6	In London a dealer quotes [10M] £/CHF Spot 3.5250/55, £/JPY Spot 180.80/181.30 (i) What do you expect the CHF/JPY rate to be in Geneva? (ii) Suppose that in Geneva you get a quote CHF/JPY Spot 51.1530/51.2550, is there an arbitrage opportunity?	CO3	L3
OR			

7	What are the functions and structure of the Forex markets? [10M]	CO3	L2
8	Assume the spot exchange rate of the Singapore dollar is \$0.70. The one year interest rate is 11% in the USA and 7% in Singapore. What would be the spot rate in one year according to the international Fisher effect? [10M]	CO4	L3
	OR		
9	Assume that the spot exchange rate of the British pound is \$1.73. How would this spot rate adjust according to purchasing power parity if Great Britain experiences an inflation rate of 7 per cent while the USA experiences an inflation rate of 2 percent? [10M]	CO4	L3
10	Discuss the frame of International Portfolio Management. [10M]	CO5	L2
	OR		
11	Discuss the frame work of International Capital Structure. [10M]	CO5	L2