

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (INTEGRATED) – SEMESTER – 09 • EXAMINATION – SUMMER 2017

Subject Code: 4190541**Date: 01/06/2017****Subject Name: International Finance****Time: 02.30 PM TO 05.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Explain the importance and challenges of International Financial Management **07**
(b) What are the motivating factors behind internationalization of banks? **07**
- Q.2** (a) Explain in detail – Depository Receipts. Its mechanism and advantages **07**
(b) What are the techniques of hedging of transaction exposure **07**
- OR**
- (b) Explain Bilateral and Multilateral Netting **07**
- Q.3** (a) Discuss recent cross border acquisition involving Indian companies **07**
(b) Explain the role of EXIM in the development of Foreign Trade **07**
- OR**
- Q.3** (a) Explain Letter of Credit and different types of it **07**
(b) Explain in detail – Triangular Arbitrage with example. What is a condition that will give rise to a triangular arbitrage opportunity? **07**
- Q.4** (a) Discuss the strategies for managing Operating Exposure **07**
(b) Explain major types of international bond market instruments along with their characteristics **07**
- OR**
- Q.4** (a) Explain Purchasing power parity, both the absolute and relative versions. What causes deviations from purchasing power parity? **07**
(b) What are the objectives of ECGC? Discuss the role of ECGC in the promotion of exports **07**
- Q.5** (a) How might a MNC use transfer pricing strategies? How do import duties effect transfer pricing policies? **07**
(b) Explain the types of services provided by International Banks to their customers? **07**
- OR**
- Q.5** (a) Explain different risks associated with Foreign Trade **07**
(b) Explain Balance of payment. Discuss its implications under the fixed and flexible exchange rate regime **07**
