

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA(INTEGRATED)- SEMESTER– IX EXAMINATION – WINTER 2020****Subject Code:4190541****Date:01/01/2021****Subject Name:International Finance****Time:10:30 AM to 12:30 AM****Total Marks: 47****Instructions:**

1. Attempt any **THREE** questions from Q1 to Q6.
2. **Q7 is compulsory.**
3. **Make suitable assumptions wherever necessary.**
4. **Figures to the right indicate full marks.**

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|------------|-----|--|-----------|
| <b>Q.1</b> | (a) | Discuss briefly the different types of Letters of credit that are used in international trade .  | <b>07</b> |
|            | (b) | Discuss briefly the evolution of international financial systems .   | <b>07</b> |
| <b>Q.2</b> | (a) | Expalin the concept of Balance of payment and discuss the different accounts of BOP can a country run a current account deficit indefinitely ? Give reasons. | <b>07</b> |
|            | (b) | Brifly explain Foreign exchange market . why its necessary in India?   | <b>07</b> |
| <b>Q.3</b> | (a) | Explain the salient features of the regulations over foreign exchange in india .   | <b>07</b> |
|            | (b) | Explain the role of international financial institutions in international business .   | <b>07</b> |
| <b>Q.4</b> | (a) | Explain factors influencing exchange rates .   | <b>07</b> |
|            | (b) | Explain with the help of an imaginary illustration , how capital budgeting decisions of any MNC maybe different from domestic firms ?                        | <b>07</b> |
| <b>Q.5</b> | (a) | Distinguish between FDI and portfolio investment and discuss different strategies of portfolio investment .  | <b>07</b> |
|            | (b) | Spot and forwad exchange rates are based on interest rate parity theorem with suitable example .   | <b>07</b> |
| <b>Q.6</b> | (a) | Discuss some of the basic consideration that re-kept in mind while making international decisions .  | <b>07</b> |
|            | (b) | Explain the method of financing the export trade through bills of exchange .   | <b>07</b> |
| <b>Q.7</b> | (a) | Briefly discuss the centralized cash management system and their advantages .  | <b>05</b> |
| <b>OR</b>  |     |  |           |
| <b>Q.7</b> | (a) | Explain in detail cross border acquisitions and its pros and cons .  | <b>05</b> |

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