Seat No.: ________ Enrolment No.___________

GUJARAT TECHNOLOGICAL UNIVERSITY

MAM - SEMESTER– IX EXAMINATION – WINTER 2021

Subject Code: 4190541 **Date: 23/11/2021**
Subject Name: International Finance
Time: 10:30 AM to 01:30 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)**	What is the scope & importance of international finance? Elaborate the challenges of international finance.	**07**
	(b)	Explain interest rate Parity. Discuss the implications of interest rate parity for exchange rate determination.	**07**
Q.2	**(a)**	What do you understand by Balance of Payment? Explain the different items in current a/c & capital a/c.	**07**
	(b)	Write a note on Gold Standard v/s Bretton Wood System	**07**
		OR	
	(b)	Explain the process of LC? Elaborate various type of letter of credit.	**07**
Q.3	**(a)**	What is Exposure? Broadly, Explain the three different types of Exposure in International Business	**07**
	(b)	Describe the major functions of WTO.	**07**
		OR	
Q.3	**(a)**	Differentiate FDI & FPI. Explain the motives and theories of FDI.	**07**
	(b)	Write a note on World Trade Organization & International Monetary Fund.	**07**
Q.4	**(a)**	Discuss major types of International Banking offices in detail.	**07**
	(b)	What is foreign exchange market? Explain its role and structure. Who are the participants in foreign exchange market?	**07**
		OR	
Q.4	**(a)**	What are multinational corporations (MNCs) and what economic roles do they play?	**07**
	(b)	Write a note on: 1) ADR and GDR 2) Bilateral and Multilateral Netting	**07**
Q.5	**(a)**	Examine the types of risk covered by ECGC to help Indian exporters and banks	**07**
	(b)	Write a note on Purchasing Power Parity.	**07**
		OR	
Q.5	**(a)**	Elaborate centralized cash management system in international business with suitable example.	**07**
	(b)	How would privatization, deregulation, and the removal of barriers to foreign direct investment affect the efficiency of business, new business formation, and the rate of economic growth in India during the post 1990 time period?	**07**

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