

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA PART TIME – SEMESTER V– EXAMINATION – WINTER 2021****Subject Code: 4559922****Date: 19/02/2022****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 Define the following terms: (14)

- (1) Globalization
- (2) Interest rate parity
- (3) Arbitrage
- (4) Transaction Exposure
- (5) International Finance
- (6) Balance of payment
- (7) Economic Exposure

Q.2 (A) Discuss factors affecting Globalization in detail. (07)**(B) Write a short note on WTO. (07)****OR****(B) Write a short note on various types of letter of credit. (07)****Q.3 (A) Discuss the different ways political events in a host country may affect local operations of MNC. (07)****(B) Write a short note on Classical Gold Standard. (07)****OR****Q.3 (A) What is INCOTERMS? Explain any three INCOTERMS of your choice. (07)****(B) Write a short note on ECGC. (07)****Q.4 (A) Write on FCA, FAS and FOB. (07)****(B) Explain various types of International Banks in detail. (07)****OR****Q.4 (A) Define Exposure, write a note on three types of exposures in brief. (07)****(B) Write a short note on EXIM Bank. (07)****Q:-5 Find out the Transaction gain/loss on the basis of the following data (14) pertaining to India's foreign Trade.**

Particulars	US \$ Million	Japan Yen Million	British Pound Million
Imports	1400	800	950
Exports	1200	820	1000
Pre Exchange Rate	RS.50/\$	Rs.0.40/Yen	Rs. 80/Pound
Post Exchange Rate	RS.40/\$	Rs.0.50/Yen	Rs. 75/Pound

OR

Q:-5 A company expects cash flow from its new project to the extent of \$4500, \$5000, \$6000 and \$ 6500 respectively during first three years of operation. **(14)**
However, due to changes in exchange rates, the cash flow is affected and it will change to \$ 5500, \$6800, \$ 7500 and \$ 8500. Find the magnitude of the possible real operating exposure during the initial of operation assuming a discount rate of 15%.
