

S.No. : 28

BBM 2601

No. of Printed Pages : 05

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 27332

Roll
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BBA (P) Examination 2021-22

(Even Semester)

INTERNATIONAL FINANCIAL MANAGEMENT

Time : Three Hours]

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION – A

1. Attempt all parts of the following : 8×1=8
- (a) Define international economic environment.
 - (b) Enumerate various sources of finance in international financial market.
 - (c) Explain exchange rate.
 - (d) Define currency risk management.
 - (e) Name international financing institutions.

[P. T. O.]

- (f) Explain mergers.
- (g) Define take overs.
- (h) Name various international receivables.

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$
- (a) Define Balance Of Payment (BOP) and explain different accounts of BOP.
 - (b) What do you understand by foreign exchange risk? What are the different external exposure management techniques which are used by importers and exporters?
 - (c) Why is international cash management necessary? When is centralized cash management more useful as compared to decentralized cash management.
 - (d) Explain factors responsible for growing importance of international financial management.

SECTION – C

Note :- Attempt all questions from this section.

10×4=40

3. Attempt any two parts of the following :

- (a) Most of the developing countries have incurred huge balance of payment deficits for many years. What alternatives are available to these countries for dealing with their BOP problem?
- (b) Explain the theory of comparative advantage as a motive for foreign trade. What is the logic behind this theory?
- (c) Write short notes on any two of the following :
 - (i) ADR_s
 - (ii) GDR_s
 - (iii) IDR_s

4. Attempt any two parts of the following :

- (a) How are inflation rate and foreign exchange rates related? Explain with suitable example.

[P. T. O.]

- (b) What do you mean by foreign exchange market? Discuss the role played by the main participants in this market.
 - (c) Discuss briefly the techniques available for currency risk management.
5. Attempt any two parts of the following :
- (a) Define pre-shipment and post-shipment financing and the procedure followed by the commercial banks in this regard.
 - (b) Briefly discuss why international trade takes place? Do factors affecting international trade also affect international capital movement? Explain.
 - (c) Explain the method of financing the export trade through bills of exchange.
6. Attempt any two parts of the following :
- (a) Enumerate some of the basic considerations that are kept in mind while making international decisions.

- (b) What are the key factors contributing to an effective cash management system within the firm. Is cash management process more difficult in an MNC? Why?
- (c) Enumerate various reasons for foreign investment with their benefits and risk associated to them.

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