V Semester B.B.M. Examination, Nov. /Dec. 2014

(Repeaters) (Prior to 2014-15) BUSINESS MANAGEMENT

E - 3 : Paper - II - International Finance

100- 2013 - 14 only

90 - Prior to 2013 - 14

Time: 3 Hours

Max. Marks: 100/90

Instructions: 1) Answer should be written in English only.

- 2) Sections A, B, and C, to be answered by all repeaters (90 marks).
- 3) Section 'D' is to be answered by students of 2013-14 only (100 Marks).

## SECTION - A

Answer any ten sub-questions. Each sub-questions carries two marks.

 $(10 \times 2 = 20)$ 

- 1. a) What is FII?
  - b) Write two Merits of SEZ.
  - c) What is EURO Currency?
  - d) What is ADR?
  - e) What is FEMA?
  - f) What do you mean by credit worthiness?
  - g) Define Mark-up inflation.
  - h) What is convertability of a rupee?
  - i) Expand -FCOCA.
  - j) What is Exchange rate risk?
  - k) What are Foreign Currency reserves?
  - I) What do you mean by BOP?



## SECTION - B

Answer any five questions. Each question carries five marks.

 $(5\times5=25)$ 

- 2. Explain the implications of rupee convertibility.
- 3. Explain various types of exchange risks.
- 4. What are the issues in international finance?
- 5. Explain meaning of futures, forwards, swaps and options.
- 6. What are the advantages of FDI?
- 7. What are the regulations of RBI towards FIIs in India?
- 8. What are the instruments in money markets?

## SECTION - C

Answer any three questions. Each question carries fifteen marks.

 $(3\times15=45)$ 

- 9. What is meaning of International Finance? Discuss the issues involved in international business and finance.
- 10. Examine rupee convertibility and its implications.
- 11. What is Foreign exchange risk? Explain factors affecting Foreign exchange risk.
- 12. Explain the merits and demerits of FDI to host and home country.
- 13. What are the objectives of risk management in international business and finance?

## SECTION - D

(To be answered by students of 2013-14 only).

 $(10 \times 1 = 10)$ 

14. What is the significance of international financial management in international markets?