



65

MS – 468

**VI Semester B.B.M. Examination, May/June 2014**  
**(Semester Scheme) (Repeaters)**  
**(Prior to 2011-12)**

**BUSINESS MANAGEMENT**

**6.3 : E – 3 : Paper – 2 : International Finance**

Time : 3 Hours

Max. Marks : 90

**Instruction :** Answers should be written in **English** only.

**SECTION – A**

Answer **any ten** sub-questions. **Each** sub-question carries **two** marks. **(10×2=20)**

1. a) What is foreign exchange market ?
- b) What are financial institutions ?
- c) Give the meaning of Financial swap.
- d) What is exchange risk ?
- e) State any four international financial institutions.
- f) What is meant by Free Trade Zones ?
- g) Mention any two objectives of IMF.
- h) What is meant by Arbitrage ?
- i) Distinguish between spot market and the Forward Market.
- j) What is meant by Hedging ?
- k) Expand NASDAQ and NYSE.
- l) If ask price is ₹ 63.568/\$ and Bid price is ₹ 63.246/\$. Calculate the spread (in percentage).



**SECTION – B**

Answer **any five** questions. **Each** question carries **five** marks. **(5×5=25)**

2. What is BOP ? State the constituents of BOP.
3. What are the important features of foreign exchange market in India ?

P.T.O.



4. Distinguish between Futures and Forwards.
5. What are the various risks in International Finance ?
6. List out the regulations of RBI towards FIIs in India.
7. Explain the importance of having more exports than imports for a nation.
8. Briefly explain various issues involved in international business and finance.
9. Briefly explain political risks in relation to Foreign Direct Investment.

SECTION – C

Answer **any three** questions. **Each** question carries **fifteen** marks.

**(3×15=45)**

10. Discuss the significance of international financial management.
  11. Explain the various instruments in International Financial Market.
  12. Discuss the merits and demerits of FDI to the Host and Home country.
  13. Explain the different types of exchange risks.
  14. Explain the foreign exchange market intermediaries.
-