

MMS - 536 (SEM-4TH) INTERNATIONAL FINANCIAL MANAGMENT

Sessional -1st

Doon University

Time: 02 Hours

Maximum Marks: 30

Section -A (Attempt any *four* questions) **4*4=16**

Q1) What is Accounting Exposure? What is its significance in current scenario? How do we manage this exposure?

Q2) Explain political risk in detail, also how a MNC would take decision on expansion of their business, comment.

Q3) Write Short notes on (**any two**) **2*2=4**

a) Instruments of foreign exchange market.

b) International restructuring.

c) Probabilistic distribution approach.

Q4) "The changing international financial system poses new challenge for financial managers in developing countries." Elaborate.

Q5) An export company wants to raise capital from international markets. What are the basic considerations the firm should take into account while making this international investment decision? Explain.

Section-B (Attempt any *two* questions) **7*2=14**

Q1) Why did the International Monetary system move from a Fixed Exchange Rate System to a Floating Exchange Rate System? What has been its impact on economies of World?

Q2) Explain the concept of Balance of Payments (BOP), and discuss the different accounts of BOP. Can a country run a current account deficit (surplus) indefinitely? Give reasons.

Q3) Distinguish between 'Foreign direct investment' (FDI) and 'Portfolio Investment' and discuss the different strategies of portfolio investment.

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