

11/4/2013



**DOON UNIVERSITY, DEHRADUN**  
**Mid Term Examination, Fourth Semester, 2013**  
**School of Management**

**MBA**

**Course: MMS-536: International Financial Management**

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*Time: 2 hours*

*MM: 30*

**Section: A. Attempt any FOUR questions. Question No. 1 is compulsory.**

1) Write Short notes on any three

*(Marks: 2x3=6)*

a) Bid rate, offer rate, bid-offer spread, transaction cost

b) Brettonwood system

c) Direct quote, indirect quote, swift quote

d) Purchasing power parity Theorem

2) What is the nature and scope of international financial management?

*(Marks: 8)*

3) Is floating rate regime better than fixed exchange rate regime? You agree or disagree explain?

*(Marks: 8)*

4) Distinguish between Capital account, Official reserve and current account ?

*(Marks: 8)*

5) You are a manager with an importer and you have to make a payment of 1 million Dollars after 3 months

The following quotes are available

Rs/\$ spot: 56.2000/80

Rs/\$ 3 months forward : 20/80

Rs 3-month interest rates : 12.40/12.80

\$ 3-month interest rates : 6.00/6.40

What strategy you will adopt if you have to make arrangements today itself?

*(Marks: 8)*