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Question Paper Code: CMBB57



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal, Hyderabad - 500 043

MODEL QUESTION PAPER

MBA IV Semester End Examinations, April - 2020

Regulations: R18

International Financial Management

(Professional Elective to MBA)

Time: 3 hours

Max. Marks: 70

Answer ONE Question from each Unit

All Questions Carry Equal Marks

All parts of the question must be answered in one place only

UNIT – I

1. a) Describe nature and scope or content of International Financial Management and significance of IFM. [7M]
- b) Enlist the new problems and factors that are encountered in international financial management as opposed to domestic financial management [7M]
2. a) Enlist the recent changes in the global financial market and some of the complexities in international financial management compared domestic financial management. [7M]
- b) Summarize on International Financial Management with effect to the different international business methods and management contract. [7M]

UNIT – II

3. a) Enlist the fundamentals of balance of payment accounting and principle for valuation and timing with performance of balance of payment. [7M]
- b) Summarize the agencies facilitating international flows and Indian balance of payment trends and stands by agreements. [7M]
4. a) Elucidate a brief note regarding the Breton Woods's agreement and new monetary system agreements, the collapse of Breton wood system. [7M]
- b) Narrate in detail about the Economic and Monetary Union (EMU). Enlist its functions. [7M]

UNIT – III

5. a) Elucidate about foreign exchange market. Discuss the characteristics and functions of foreign exchange market for international trade. [7M]

- b) Elucidate the process of arbitrage. Write about the cross rates, currency arbitrage and mechanism of spot transactions of arbitrage. [7M]
6. a) Interpret your knowledge an international bond market. Evaluate how an International bond market forms a long-term debt market in the international scenario. [7M]
- b) The price of equity shares of LG phones Ltd. Company is ₹ 25. The risk free rate is 10% p.a. the company doesn't pay any dividend but follows continuous compounding. An investor desires to enter into a 1 year forward contract. Calculate the forward price. [7M]

UNIT – IV

7. a) Describe how currency exchange rate is managed at international level. Elucidate how to measure exchange rate movements and enlist the different factors influencing foreign exchange rates. [7M]
- b) Enlist the different types of capital market risks and product market risk? Summarize briefly about the different types of capital market risks? [7M]
8. a) Elucidate the purchasing power parity, Law of one price and absolute form of purchasing power parity, relative form of purchasing power parity. [7M]
- b) Summarize international fisher effect and its implication for foreign investors, enumerate how it manages different types of rates. [7M]

UNIT – V

9. a) Summarize the types of foreign direct investment and elucidate the barriers of foreign direct investment. [7M]
- b) Enlist the modes of International portfolio diversification and summarize how diversification can take place through mutual funds, through country funds, hedge funds. [7M]
10. a) Describe the different modes of payment in international trade, summarizing the repayment method, letter of credit, drafts, consignment and open account methods. [7M]
- b) Explicit in detail Exim policy of 2002-2007 and summarize the special economic zones, employment economic zones, growth oriented and technology oriented policies. [7M]



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COURSE OBJECTIVES:

The course should enable the students to:

I.	Understand the overview, importance, nature and scope of International Financial Management
II.	Recognize the fundamentals of BOP, Accounting components of BOP, factors affecting and International Trade flows
III.	Elucidate the functions and Structure of the Forex markets, major participants, types of transactions and settlements dates.
IV.	Know about the foreign direct investment, international capital budgeting, international capital structure and cost of capital and international portfolio management

COURSE OUTCOMES (COs):

CMBB57.01	Describe the meaning, definitions, nature and scope of financial management. certainty equivalents
CMBB57.02	Identify the goals, evolution and functions of financial management approach to simulation.
CMBB57.03	Examine the new role of finance function in contemporary scenario
CMBB57.04	Illustrate the differences between profit maximization and wealth maximization evidence of internal rate of return.
CMBB57.05	Demonstrate the concepts of risk return trade off, time value, future value and present value of money.
CMBB57.06	Discuss the meaning, definitions, characteristics and importance of investment decisions.
CMBB57.07	Apply the methods and principles of capital budgeting.
CMBB57.08	Predict the investment decision process and significance of capital budgeting.
CMBB57.09	Explain the term capital budgeting decision under risk and uncertainty and methods of capital budgeting techniques
CMBB57.10	Determine the concept and measurement of cost of capital.

MAPPING OF SEMESTER END EXAMINATION - COURSE OUTCOMES:

SEE Question No	Course Outcomes		Course Outcomes	Blooms Taxonomy Level	
1	a	CMBB57.01	Describe the meaning, definitions, nature and scope of financial management.	CO 1	Remember
	b	CMBB57.02	Identify the goals, evolution and functions of financial management approach to simulation.	CO 2	Understand
2	a	CMBB57.01	Describe the meaning, definitions, nature and scope of financial management.	CO 1	Apply
	b	CMBB57.02	Identify the goals, evolution and functions of financial management approach to simulation.	CO 2	Evaluate
3	a	CMBB57.03	Examine the new role of finance function in contemporary scenario	CO 3	Understand
	b	CMBB57.04	Illustrate the differences between profit maximization and wealth maximization	CO 4	Apply
4	a	CMBB57.03	Examine the new role of finance function in contemporary scenario	CO 3	Create
	b	CMBB57.04	Illustrate the differences between profit maximization and wealth maximization	CO 4	Remember
5	a	CMBB57.05	Demonstrate the concepts of risk return trade off, time value, future value and present value of money.	CO 5	Remember
	b	CMBB57.06	Discuss the meaning, definitions, characteristics and importance of investment decisions	CO 6	Apply
6	a	CMBB57.05	Demonstrate the concepts of risk return trade off, time value, future value and present value of money.	CO 5	Evaluate
	b	CMBB57.06	Discuss the meaning, definitions, characteristics and importance of investment decisions	CO 6	Analyze
7	a	CMBB57.07	Apply the methods and principles of capital budgeting.	CO 7	Apply
	b	CMBB57.08	Predict the investment decision process and significance of capital budgeting	CO 8	Evaluate
8	a	CMBB57.07	Apply the methods and principles of capital budgeting.	CO 7	Understand
	b	CMBB57.08	Predict the investment decision process and significance of capital budgeting	CO 8	Remember
9	a	CMBB57.09	Explain the term capital budgeting decision under risk and uncertainty and methods of capital budgeting techniques	CO 9	Remember
	b	CMBB57.10	Determine the concept and measurement of cost of capital.	CO 10	Understand
10	a	CMBB57.9	Explain the term capital budgeting decision under risk and uncertainty and methods of capital budgeting techniques	CO 9	Apply
	b	CMBB57.10	Determine the concept and measurement of cost of capital.	CO 10	Remember

Signature of Course Coordinator

HOD, MBA