

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA – SEMESTER –III-EXAMINATION – SUMMER-2022**

Subject Code: 4539242

Date: 16-07-2022

Subject Name: International Finance Management

Time: 02:30 PM TO 05:30 PM

Total Marks: 70

**Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

**Q.1 Define the following terms in detail.**

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- (1) International Finance
- (2) Arbitration
- (3) Economic Exposure
- (4) Multinational Company
- (5) Hedging
- (6) Transnational company
- (7) Exchange Rate

**Q.2 (a)** What is letter of credit? Discuss its mechanism with diagram.

07

**(b)** Define INCOTERMS. Explain any three INCOTERMS of your choice.

07

**OR****(b)** What is Forward contract? Discuss its benefits.

07

**Q.3 (a)** Discuss Major factors leading Globalization.

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**(b)** What is the role of WTO in international Business?

07

**OR****Q.3 (a)** Discuss factors responsible for the recent surge in the international Portfolio investment.

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**(b)** Write a short note on Classical Gold Standard.

07

**Q.4 (a)** Define the meaning of Exchange rate, purchasing power parity, also discuss this concepts with reference to leading exchange rates of five countries.

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**(b)** Write on FCA, FAS and FOB.

07

**OR****Q.4 (a)** Discuss the different ways political events in a host country may affect local Operations of MNC.

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**(b)** Explain the term "FDI" and discuss its advantages and disadvantages.

07

**Q.5** Discuss the impact of Russia –Ukraine war on worldwide economy. Also answer the following questions.

(I) Is there any impact of this war on worldwide economy or not?

(II) What steps developing countries like India took in this situation?

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**OR****Q.5** Discuss the impact of subprime crisis, worldwide recession. Also answer the following questions.

(I) What was the fault of Bank in this crisis?

(II) What was its Impact on Indian Economy?

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