

15/11/19.



Time: 2 ½ Hours

Marks: 75

Note: All questions are compulsory while marks are indicated on the right hand side.

Q.1) A) Match the following options correctly (Any Eight)

(8m)

GROUP A	GROUP B
1. International Finance	a) Standard and Poor's
2. Acquisition	b) Sponsored ADRs
3. Merger	c) High Yield Bonds
4. Global Financial Markets	d) Translation risk
5. Credit rating agencies	e) Currency risk
6. American Depository Receipts	f) International Financial Management
7. Offshore Markets	g) International Equity Markets
8. Euro bond	h) Euro- Currency Markets
9. Foreign Exchange risks	i) Adjoining of two different entities
10. Investment Risks	j) Overtaking one entity by another

Q.1) B) State whether following statements are true or false (Any Seven)

(7m)

1. International finance concerns with national finances only.
2. International financial management concerns with the sound decision making for MNCs.
3. Capital budgeting is the process of family budgeting.
4. LIBOR refers to London Inter-Bank Offer Rate.
5. Offshore Markets implies to markets inside national boundary of a given entity.
6. International Money Markets involves raising short term capital.
7. Cross listing of shares means listing of shares on domestic market.
8. Credit Rating Agencies assesses the creditworthiness of an institution.
9. GDRs are investment options available only in America.
10. IDRs are denominated in Indian Rupees.

Q.2) Answer either A&B OR C&D

(15m)

a) What do you understand the term, "International Finance"? What are the challenges associated with International Finance in today's global context?

b) What is the process of Capital Budgeting?

OR

c) Write a brief note on various cross border mergers and acquisitions.

d) What do you mean by Cost of Capital and its structure?

Q.3) Answer either A&B OR C&D

(15m)

- a) What do you mean by International Money Market? Write about various instruments of the International Money Market?
- b) Write in brief about Global Depository Receipts and its mechanism?
- OR**
- c) Write a note about the major stock markets around the world.
- d) What do you mean by Credit Rating Agencies and their role in the International Finance?

Q.4) Answer either A&B OR C&D

(15m)

- a) What are the reasons for the growth of Eurocurrency market?
- b) What are various types of markets in Eurocurrency Markets?
- OR**
- c) What are various types of bonds in the Eurocurrency Market?
- d) Write a brief note on foreign currency exchangeable bonds?

Q.5) Answer either A&B OR C

(15m)

- a) What are the various foreign exchange risks in the international investments?
- b) What are the regulatory barriers to international investment?

OR

- c) Choose any 3 of the following (**ANY THREE**)

(5m*3=15m)

- i. International financial markets
- ii. Participatory notes
- iii. Foreign currency convertible bonds
- iv. Information barrier in investments
- v. American Depository Receipts
