



**VI Semester B.B.M. Examination, May/June 2010**  
**(Semester Scheme)**  
**6.3 : INTERNATIONAL FINANCE (E – 3) (Paper – 2)**

Time : 3 Hours

Max. Marks : 90

*Instruction : Answers to be written in English only.*

**SECTION – A**

1. Answer **any ten** sub-questions of the following. **Each** sub-question carries **2 marks**. **(10×2=20)**
- a) What do you mean by International Finance ?
  - b) What is open market ?
  - c) Define Financial Management.
  - d) What is Balance of payment ?
  - e) What is FCCB ?
  - f) What is hedging ?
  - g) What is Financial Market ?
  - h) What do you mean by dumping ?
  - i) What is risk ?
  - j) What is inflation ?
  - k) Mention any two merits of flexible exchange rates.
  - l) Mention the types of financial markets.



## SECTION – B

Answer **any five** of the following. **Each** question carries **five** marks.

(5×5=25)

2. Explain the importance of International Finance.
3. Explain the functions of Forex market.
4. How International Financial Management differs from domestic financial management ?
5. State any three implications of rupee convertibility.
6. Discuss any three kinds of Exchange Exposure.
7. Explain briefly the growth of Foreign Direct Investment.
8. Discuss the impact of High Inflation.
9. Write a short note on risk of non-payment.

## SECTION – C

Answer **any three** of the following. **Each** question carries **15** marks.

(3×15=45)

10. What is International Finance Management ? Explain its various instruments.
  11. Explain the types of options, highlight their pros and cons.
  12. Explain the different types of Exchange risks.
  13. Distinguish between a forward and future contract, which of the two is more popular ?  
Why ?
  14. Explain the advantages and disadvantages of mergers and acquisition.
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