MBGN 4004

M.B.A. DEGREE EXAMINATION,
DECEMBER 2014/JANUARY 2015.

Fourth Semester

MBA (General)

INTERNATIONAL BUSINESS

(2012-13 Batch onwards

Time : Three hours Maximum : 100 marks

PART A — ($5 \times 6 = 30$ marks)

Answer any FIVE questions.

1. Explain the general features of European Monetary system.

2. What are the limitations of balance of payments?

3. State the salient features of International money market.

4. Explain the functions of foreign exchange market.

5. Distinguish between fixed and fluctuating exchange rates.

6. Bring out the merits and demerits of foreign exchange trade.

7. Write short notes on

   (a) Spot foreign exchange rate

   (b) Forward foreign exchange rate.

8. Explain the mechanism of Global Depositary Receipt (GDR).

PART B — (5 × 10 =50 marks)

Answer any FIVE questions.

9. Explain the purposes and structure of International Monetary Fund (IMF).

10. Describe the origin, objectives and functions of world bank.

11. Explain the components of balance of payments.

12. Discuss the functions of financial intermediaries.

13. Explain the factors that determine the foreign exchange rate.

14. Critically examine the purchasing power parity theory of exchange rate.

15. What do you mean by forward exchange contracts? Explain the two types forward exchange contracts.

16. What are the differences between Eurobond and Euro currency Loan?

PART C — (1 × 20 = 20 marks)

(Compulsory)

17. Case Study:

You are just one week young in your job as a treasury executive in a leading laptop trader/supplier in India. Earlier your company was sourcing assembled laptops from China, but with the incentives provided in the Budget by the Finance Minister of India, your company is planning to enter assembly/manufacturing market in India. Now your company is planning to source components and sub assemblies from Taiwanese firms. This will involve a lot of foreign exchange trading and contracts. Since you are from a leading university in India, your CFO has asked you to make presentation to the top management on various possibilities relating to forex market in India.

Question for discussion :

What is all that you would like to tell the top management so as to establish your credibility?