

**MBGN 4004/**  
**MBLG 4002**

M.B.A. DEGREE EXAMINATION, JUNE 2016.

Fourth Semester

General

INTERNATIONAL BUSINESS

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

Answer any FIVE questions out of Eight questions.

1. What is the scope for European Monetary System?
2. Explain the importance of International Finance.
3. What is the significance of BOP data?
4. Describe internal and external exposure management.
5. Does International Financial Market Differ From Domestic Financial System?
6. What are the different types of Euro Finance?
7. What are determinants of Foreign Exchange?
8. What are the difference between a money market and a capital market?

PART B — (5 × 10 = 50 marks)

Answer any FIVE questions out of Eight questions.

9. What is IBRD ? and give its important role in the International Financial system.
10. Give the structure of overall balance of payments, and explain in brief.
11. List out the ways used by India in managing current account deficit.
12. What is capital account? What are its components? Discuss.
13. What are the different financial instruments in the financial markets?
14. Why does the monetary approach imply that higher expected inflation causes a currency to depreciate?
15. Summarize the various considerations that enter into the decision to choose the currency, market for long term borrowing.
16. What are the characteristics of a domestic bond? An international bond? A Eurobond?

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?