


Name:			
Enrolment No:			
UPES End Semester Examination, May 2023			
Course: International Finance Program: BBA_LL B Course Code: CLNL 1039		Semester: II Time : 03 hrs. Max. Marks: 100	
Instructions:			
SECTION A (5Qx2M=10Marks)			
S. No.		Marks	CO
Q 1	What is a forward exchange rate? 1. The exchange rate for a future date 2. The exchange rate for a past date 3. The exchange rate for immediate delivery of a currency 4. The exchange rate for a specific time period	2	CO1
Q2	Process of integration of world economy has witnessed the creation of very dynamic international financial market' As per the given statement, which of the following is not an outcome of international finance 1. Decentralised market determined exchange rate 2. Current and Capital Account Convertibility 3. Reduction of Import duties 4. Liberalization of portfolio	2	CO1
Q3	Financial executives in multinational corporations many times have to make decisions that conflict with the objective of maximizing shareholders wealth. This concept is known as: 1. Agency Problem 2. Tragedy of Commons 3. Problem of Affluent Society 4. Problem of abundance	2	CO1
Q4	Which of the following is not a method of international business 1. Establishing new domestic subsidiaries 2. Licensing 3. Franchising	2	CO1

	4. Management Contracts														
Q5	Which of the following is a Gold Standard Period 1. 1876-1913 2. 1875-1913 3. 1876-1914 4. 1874-1913	2	CO1												
SECTION B (4Qx5M= 20 Marks)															
Q6.	How can changes in exchange rates affect international trade and investment?	5	CO3												
Q7.	How does currency devaluation and price affect an economy?	5	CO1												
Q8.	Explain the concept of a current account deficit in the Balance of Payments and discuss its implications for an economy.	5	CO2												
Q9.	Explain the working of par value of the adjustable peg system	5	CO2												
SECTION-C (2Qx10M=20 Marks)															
Q10.	Briefly explain the changes in the present International Monetary System that you consider likely to occur in the near future. Why?	10	CO2												
Q11	What was the Bretton Woods system and how did it work? What were some of the major criticisms of the system and why did it ultimately collapse?	10	CO3												
SECTION-D (2Qx25M=50 Marks)															
Q12	Bombay on London is quoted as follows: <table border="1" style="margin-left: 20px;"> <tr> <td>Spot</td> <td>£ 4.1430</td> <td>4.1475</td> </tr> <tr> <td>1 Month</td> <td>1.5</td> <td>2.0 dis</td> </tr> <tr> <td>2 Month</td> <td>1.75</td> <td>2.25 dis</td> </tr> <tr> <td>3 Month</td> <td>2.25</td> <td>2.75 dis</td> </tr> </table> <p>Calculate 1 month, 2 month and 3-month forward rates.</p>	Spot	£ 4.1430	4.1475	1 Month	1.5	2.0 dis	2 Month	1.75	2.25 dis	3 Month	2.25	2.75 dis	25	CO4
Spot	£ 4.1430	4.1475													
1 Month	1.5	2.0 dis													
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Q 13.	Do you think MNCs have greater flexibility than domestic firms in the location and timing of their investments? Elucidate.	25	CO4												