

SEAT No. \_\_\_\_\_

No. of Printed Pages: 01

[2 &amp; A-4]

**SARDAR PATEL UNIVERSITY****BBA (ITM) SEM:VII****2017****MONDAY, NOVEMBER 27****10.00 A.M. to 12.00 P.M.****UM07EBBI03: FUNDAMENTALS OF INTERNATIONAL FINANCE- I****Total Marks: 60****Note Figures to the right indicate marks of question.**

- Q:1** Define international financial management and explicate the need to study it. Discuss objectives of firm operating at international level. [15]

**OR**

- Q:1[A]** Explain functions of controller and treasurer in context of international finance. [08]

- [B]** Identify the emerging challenges faced by international finance manager in present scenario. [07]

- Q:2** What do you mean by foreign exchange rate? Discuss major determinants of foreign exchange rate. [15]

**OR**

- Q:2[A]** Write notes on: [10]

1) Purchasing power parity theory 2) Interest rate parity theory

- [B]** From the data given below calculate forward premium or discount, as the case may be, of the € in relation to the rupee. [05]

	Spot rate	2 month forward	6 month forward
Rs/ €	Rs 48.80/49.05	Rs 49.50/50.00	Rs.48.00/48.50

- Q:3** Explain all external and internal techniques for foreign exchange risk management. [15]

**OR**

- Q:3[A]** What is foreign exchange risk? Explain types of exposure do international firm faces. [10]

- [B]** Write a brief note on "Cost and risk of international financing". [05]

- Q:4[A]** Explain various types of bonds available in international market. [10]

- [B]** Explain: Euro notes and Euro commercial paper. [05]

**OR**

- Q:4[A]** Write a note on: "International Equity Financing". [08]

- [B]** Discuss other sources of financing in international market. [07]

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