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MGT/S-3-F/VI/13

2013

Time : 3 hours

Full Marks : 80

Candidates are required to give their answers in their own words as far as practicable.

The questions are of equal value.

*Answer any **four** questions in which Q. No. 1 is compulsory.*

1. Mark the following statements as True or False :
 - (a) A transfer price is never the same as the market price.
 - (b) Sight draft is the example of International trade draft.
 - (c) A MNC that is faced with mild interference upto complete confiscation of assets is encountering political risk exposure.

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(Turn over)

- (d) The difference between buying and selling rate in Forex is spot rate.
 - (e) GDR can be issued in single market.
 - (f) The Euro certificate of deposit are issued mainly in UK.
 - (g) Bonds sold outside the country in whose currency they are denominated are Euro bonds.
 - (h) Strategies in which funds are moved from one MNC operation to another are called Funds Positioning Technique.
 - (i) A written statement by the exporter ordering the importer to pay on a specific date is known Time draft.
 - (j) Interest rate and tax rate are the international financial considerations faced by both small and large MNCs.
2. Discuss the objectives and functions of International financial management in MNCs.

3. Explain the difference between future and forward contracts on foreign currencies.
4. How the International capital budgeting done by the MNCs ? Explain.
5. Discuss the foreign exchange rate theory.
6. What is Euro Currency Market ? How does Euro Currency differ from Eurobonds ? Discuss.
7. Write short notes on any **two** of the following :
 - (a) Forex market
 - (b) Interest swap
 - (c) BOP
 - (d) Mint parity
 - (e) GDR

