

# School of Business

BBA  
ETE - Jun 2023

Time : 3 Hours

Marks : 100

## Sem IV - D1UA408T - International Finance

*Your answer should be specific to the question asked  
Draw neat labeled diagrams wherever necessary*

1. What is the main objective of the Basel Committee on Banking Supervision? K2 CO3 (5)
2. Explain the role of international finance in the Economy K2 CO1 (5)
3. Discuss the significance of multinational capital budgeting in international financial management. K2 CO2 (5)
4. Describe the different exchange rate regimes used in international finance, including fixed exchange rates, floating exchange rates, and managed floating exchange rates. Discuss the advantages and disadvantages of each regime K3 CO5 (10)
- 5) Discuss the challenges and opportunities for businesses operating in international markets. Explain the cultural, legal, and economic factors that companies must consider when expanding into foreign markets K4 CO3 (10)

### OR

- Discuss the impact of international trade on international finance. Explain the concept of trade balance, the role of trade deficits and surpluses, and their implications for exchange rates and national economies K4 CO2 (10)
6. Explain the American Depository Receipts(ADR) and the companies who are listed in ADR. K2 CO4 (10)
  7. Explain the concept of a currency futures contract and how it functions in the foreign exchange market K4 CO2 (10)
  8. XYZ power Ltd . set up a factory for manufacturing solar lanterns in a remote village as there was no reliable supply of electricity in rural areas. The revenue earned by the company was sufficient to cover the costs and the risks .the demand of lanterns was increasing day by day ,so the company decided to increase production to generate higher sales . For this they decided to employ people from the nearby village as very few job opportunities were available in that area. The company also decided to open schools and crèches for the children of its employees. Answer the following:  
i. Identity and explain the objectives of management discussed above.  
ii. State and two values which the company wanted to communicate to the society K5 CO4 (15)
  9. Distinguish between "Foreign direct investment"(FDI) and "Portfolio Investment"and discuss the different strategies of portfolio investment. K4 CO2 (15)
  - 10) Discuss the significance of financial globalization in international finance. Explain how advancements in technology and financial innovation have facilitated cross-border capital flows and the integration of financial markets K5 CO4 (15)

### OR

- Examine the concept of Risk-Return Tradeoff. Explain the different risks associated with currency derivatives? K5 CO5 (15)