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## School of Finance and Commerce

Bachelor of Commerce Honours in International Accounting and Finance  
Semester End Examination - Nov 2023

Duration : 180 Minutes  
Max Marks : 100

### Sem V - H1UD501T - International Financial Management

General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Define what do you understand by the term 'Risk'? Explain its relevance in securities market. K1 (2)
- 2) Outline the differentiate between Company and Pvt ltd Companies. K2 (4)
- 3) Classify what do you understand by the term international Fischer effect? K2 (6)
- 4) A company plans to issue 1000 new shares of Rs 100 each at par. The floatation cost is expected to be 5% of the share price. The company pays a dividend of Rs. 10 per share initially and the growth in dividends is expected to 5%, Evaluate the cost of the new issue of equity share. K3 (9)
- 5) Identify how the time value of money consider the discounting factor. K3 (9)
- 6) Define the objective of International Financial Management. K5 (10)
- 7) The company initial investment in a project ass Rs 100,000 and the expected cash inflows during the projects are as follows: Years 1, 2, 3, 4, 5 Cash Flow: 20,000, 30,000, 40,000, 50,000, 30,000 respectively The cost of capital is 10%. Expalin how it is beneficial and calculate the following: 1. Net present value 2. Benefit cost ratio K4 (12)
- 8) Define the importance of cost of capital. List out the different types of cost. K5 (15)
- 9) Define the function of International Financing Operation. K5 (15)
- 10) Discuss the factors that affect the FDland decide how it effect the company. K6 (18)