D5BBH2304 (PAGES: 2) **Reg. No.....**

Name: .....

FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2025

(Regular/Improvement/Supplementary)

BBA HONOURS

GBAH5E02T: INTERNATIONAL FINANCIAL MANAGEMENT

Time: 3 Hours **Maximum Marks: 80**

Part A. Answer *all* the questions. Each question carries *one* mark.

Choose the correct answer.

1. International finance is subject to _____.
   a) Currency exposure
   b) Tax laws and regulations
   c) Both of the them.
   d) None of the them.
2. United States adopted gold standard in _____.
   a)1776 b)1879 c)1864 d)1973
3. Currency swap is a method of _____.
   a) Hedging against foreign exchange risk.
   b) Speculation in foreign exchange.
   c) Leverage instrument used by cooperative bank.
   d) Payment in international trade.
4. This is one of the advantages of a forward contract:
   a) Set up delivery dates to match your cash flows.
   b) Secure a contract in any freely convertible currency.
   c) Have no ability to participate in favorable rate movements.
   d) All of the above.
5. Which one of the following is modern method of evaluating a project?
   a) Payback period method.
   b) Average rate of return method.
   c) Modified internal rate of return method.
   d) None of these.

Fill in the Blanks.

6. Multinational companies are also called _____.
7. _____ implies duration of time required to regain the initial investment.

(PTO)

8. _____ provides short term credit to the importers so as to facilitate the smooth flow of goods and services from country to country.
9. _____ is the ratio between the present value of the returns and earnings of a project to the amount of investment
10. The development of international financial institutions was established after world war_____.

(10 x 1 = 10 marks)

Part B. Answer any *eight* questions. Each carries *two* marks.

11. Comment on cross exchange rate.
12. What is trade block?
13. What is foreign exchange market?
14. State the meaning of international capital budgeting.
15. List out the functions of ADB.
16. How dividend decision effects the profitability of a firm?
17. What you mean by international financial management?
18. List out roles of financial manager.
19. What is speculation?
20. Comment on the term discounting.

(8 x 2 = 16 marks)

Part C. Answer any *six* questions. Each carries *four* marks.

21. Discuss the steps involved in a capital budgeting decision.
22. Explain the issues and challenges of global business finance.
23. Explain the purchasing power parity theory.
24. Who are the different levels of participants in the foreign exchange markets?
25. Explain the depository system.
26. Briefly discuss the distinguishing features of international finance.
27. Describe the issues and challenges of international capital budgeting decision.
28. Explain external commercial borrowings.

(6 x 4 = 24 marks)

Part D. Answer any *two* questions. Each carries *fifteen* marks.

29. What do you mean by international monitory system? Explain the features of international monitory system.
30. Explain the foreign exchange exposure and techniques of managing the foreign exchange exposure.
31. Explain the concept and steps of global expansion strategy.

(2 x 15 = 30 marks)