Name: **Enrolment No:**	UPES UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, December 2019

Course: International Finance and Risk Management **Semester: 3rd**
Program: MBA General - FINANCE **Time: 3 Hours**
Course code: FINC 8011 **Max. Marks: 100**

	SECTION A (20 Marks)		**CO**
Q1	Balance of trade is measured as : • Difference between import and export of goods • Difference between import and export of services • Difference between import and export of capital • Difference between all exports and all imports	**2**	**CO1**
Q2	Unilateral Transfers are : • One sided Payment • Reciprocal Payments • Factor Income • All of these	**2**	**CO2**
Q3	The World Bank has two affiliates: • IDA and IFC • IFC and IBRD • IBRD and IDA • None of the above	**2**	**CO 1**
Q4	Credit transactions include : • Export of Goods and Services • Imports of Goods and Services • Import and Export of Goods and Services • All of the Above	**2**	**CO 2**
Q5	Derivatives are ----------------whose value is dependent on the behaviour of the price of one or more basic underlying assets : • Financial Instrument and Contracts • Contracts • Financial Instruments • Commodity Instrument	**2**	**CO 3**
Q6	More Instability in Currency is called : • Country Risk • Financial Risk • Currency Risk • Liquidity Risk	**2**	**CO 2**
Q7	If the Balance of trade is (-) Rs.600 crores and the Value of Exports is Rs.500 crores Then the value of Imports will be : • Rs 1300 crores	**2**	**CO 1**

	• Rs 300 crores • Rs 1100 crores • Rs 1200 crores		
Q8	Exchange rate entails delivery of trade currency within two business days known as • Forward rate • Future rate • Spot rate • Bid rate	**2**	**CO 2**
Q9	What is categorized as Leverage ratio: • EPS • Quick ratio • Debt ratio • Current ratio	**2**	**CO 1**
Q10	Currency swaps are derivatives products that help manage ----------------and---------- exposure on long term liabilities: • Exchange rate and Interest rate • Interest rate and Spot rate • Spot rate • Forward rate	**2**	**CO 2**
SECTION B (Attempt any Four)			**(20 Marks)**
Q11	Due to rapid advancement in Telecommunication and also continuous Liberalization and Globalization Of International trade brief the distinction between international and domestic financial management?	**5**	**CO 2**
Q12	The Conduct between the MNC's and their environment is real and frequently very intense, Discuss?	**5**	**CO 1**
Q13	Write a short note on GATT?	**5**	**CO 3**
Q14	What does OECD stands for and explains its incorporation?	**5**	**CO 2**
Q15	Illustrate a Foreign investor purchases Rs.70,000 worth of Indian treasury bill and pays by drawing down his bank balance in India by an equal amount?	**5**	**CO 2**
SECTION-C (Attempt any three)			**(30 Marks)**
Q16	Because of its broad global environment and number of disciplines (geographic, history, political science etc are useful to help explain the conduct of International business Elucidate?	**10**	**CO 2**
Q17	Discuss the regulation for Accessing International Commodities future exchange?	**10**	**CO 3**
Q18	With what objective IMF was found elaborate the statement?	**10**	**CO 2**
Q19	Discrepancies arises in Balance of payments justifying the statement explain the BOP statement?	**10**	**CO 2**

SECTION-D (Attempt any one) (30 Marks)			
Q20	A good understanding of future, forward, option and swap is essential to take advantage of valuable financial risk management tool Elucidate with example?	**30**	**CO 3**
Q21	Suppose Mr A is a speculator who buys a British pound call option with a strike price of $ 1.50 and a December settlement date. The current spot price of the date is about $ .012 .A pays a premium of $ 0.12 per unit for call option .Assume there is no brokerage fees .Just before the settlement date the spot rate of British pound reaches $1.15 .At this time A exercises the call option and then immediately sells the pounds at the spot rate to the bank .To determine A's profit or loss what will be first computed. (a) Assume one option contract specifies 32,000 units. (b) Assume that B the seller of the call option purchased by A .Also Assume that B would only purchase British Pound if and when the option was exercised at which time he must provide the pounds at the exercise price of $ 1.50 .calculate B,s Net profit from selling the call option. 2) Calculate the net profit of the speculator if call option premium on Swiss frans = .01 per unit, Strike price = $ .44 and the contract specifies 62500 units . The spot rate reached $ 49 calculate the net profit of speculator.	**30**	**CO 3**