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| Name: |  UPES <small>UNIVERSITY OF TOMORROW</small> |
| Enrolment No: | |

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES

End Semester Examination, December 2022

Course: International Financial Management

Semester: Third

Program: MBA in International Business

Time : 03 hrs.

Course Code: FINC 8003

Max. Marks: 100

Instructions: This is an OPEN BOOK and OPEN NOTES Exam

SECTION A
10Qx2M=20Marks

| S. No. | Statement of question | Marks | CO |
|------------|---|-------|-----|
| Q 1 | Statement of question | | |
| i) | Describe foreign exchange risk. | 2 | CO1 |
| ii) | When did liberalization begin in India? | 2 | CO1 |
| iii) | Is shareholder wealth maximization the fundamental goal of international financial management all over the world? | 2 | CO1 |
| iv) | Was there any impact of the Global Financial Crisis on the Indian Economy? | 2 | CO1 |
| v) | Explain the theory of comparative advantage. | 2 | CO1 |
| vi) | How is political risk connected with international finance? | 2 | CO1 |
| vii) | How was Brexit relevant for international finance? | 2 | CO1 |
| viii) | What is the importance of corporate governance? | 2 | CO1 |
| ix) | What are multinational corporations (MNCs)? | 2 | CO1 |
| x) | What are market imperfections? | 2 | CO1 |

SECTION B
4Qx5M= 20 Marks

| Q | Statement of question | Marks | CO |
|---|---|-------|-----|
| 2 | What was the Asian currency crisis? What is its relevance for the Indian economy? | 5 | CO2 |
| 3 | Compare fixed versus flexible exchange rate regimes. | 5 | CO2 |
| 4 | Does the Indian Rupee have the potential to become a global currency? Compare and contrast with the experience of the Chinese Renminbi. | 5 | CO2 |
| 5 | Describe the different types of exchange rate arrangements. Which one do you prefer and why? | 5 | CO2 |

SECTION-C
3Qx10M=30 Marks

| Q | Statement of question | Marks | CO |
|---|-----------------------|-------|----|
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|---|--|-----------|------------|
| 6 | <ul style="list-style-type: none"> a) What are the different types of Balance of Payments Accounts? b) Discuss the performance of the Current Account and the Capital Account in the context of the Indian economy? c) How does it contrast with the Chinese economy? | 10 | CO3 |
| 7 | <ul style="list-style-type: none"> a) What is the Agency Problem? Apply it in the Indian context. b) What are the remedies for the major issues that arise with respect to the Agency Problem in India? | 10 | CO3 |
| 8 | <ul style="list-style-type: none"> a) Explain the relevance of the Foreign Exchange market for the Indian financial system. b) Discuss the market microstructure of this market. c) What is the bid-ask spread in the context of the forex market? d) How do non-deliverable forward contracts operate? What are the benefits of such contracts? | 10 | CO3 |

SECTION-D
2Qx15M= 30 Marks

| Q | Statement of question | | |
|----------|---|-----------|------------|
| 9 | <ul style="list-style-type: none"> a) What is the Law of One Price? Apply it to International Trade. b) Explain Purchasing Power Parity. Can you apply the concept to the value of the Gross Domestic Product of India? c) Is the Efficient Market Hypothesis relevant for the international economy? Apply it in the context of a securities market in South-East Asia. | 15 | CO4 |
| 10 | <ul style="list-style-type: none"> a) What were the main issues discussed in the Jackson Hole central bank conference? b) How can central bank independence be used to control inflationary pressures in the economy? c) Does the risk of a recession complicate the job of the central banks? d) How is productivity relevant to this debate? | 15 | CO4 |