

Roll No. ....

Subject Code—8207-X

**M.B.A. EXAMINATION**

(Fourth Semester)

(Re-appear Prior to Batch 2009)

FM-406/IB-416

**INTERNATIONAL FINANCIAL  
MANAGEMENT**

*Time : 3 Hours*

*Maximum Marks : 100*

**Section A**

**Note :** Attempt any *Seven* questions. **7×7=49**

1. Discuss briefly different functional areas of Financial Management.
2. Explain the need for long-term capital.
3. Why is capital budgeting analysis so important to the company ?

4. Define Country Risk. How is it different from political risk ?
5. Discuss the various elements of the international financial system.
6. What is meant by the term dividend payout ratio ?
7. Define the term Cost of Capital. In computing the cost of capital, which sources of capital do we consider ?
8. Write a short note on capital structure of the multinational firm.
9. Explain the process of foreign investment decision.
10. What is the relationship between degree of international business and risk of MNCs ?

### **Section B**

**Note :** Attempt all the questions.

**3×17=51**

11. Define the term International Financial Management. Explain the importance of International Financial Management.

*Or*

Discuss the International Monetary System for managing short-term assets and liabilities.

12. Define dividend policy of the multinational firm. What are the factors that determine the dividend policy of a company ?

*Or*

What do you mean by Multinational Capital Budgeting ? State the significance of multinational capital budgeting.

13. Explain the different types of risks associated with International Financial Management.

*Or*

How does the adjusted present value technique (APV) differ from other techniques of discounted cash flow analysis ?