

**BIRLA INSTITUTE OF TECHNOLOGY, MESRA, RANCHI
(END SEMESTER EXAMINATION)**

**CLASS: MBA
BRANCH: MBA**

**SEMESTER : IV
SESSION : SP/2025**

SUBJECT: MT507 INTERNATIONAL FINANCE

TIME: 3 Hours

FULL MARKS: 50

INSTRUCTIONS:

1. The question paper contains 5 questions each of 10 marks and total 50 marks.
 2. Attempt all questions.
 3. The missing data, if any, may be assumed suitably.
 4. Before attempting the question paper, be sure that you have got the correct question paper.
 5. Tables/Data hand book/Graph paper etc. to be supplied to the candidates in the examination hall.
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		CO	BL
Q.1(a)	Explain the nature and scope of International Financial Management (IFM). How does it differ from Domestic Financial Management?	[5] 1	2
Q.1(b)	Analyze the different modes of entering international business. How do these modes influence the financial functions of an international firm?	[5] 1	4
Q.2(a)	Define BOP and its main components. Differentiate it from BOT.	[5] 2	1
Q.2(b)	Explain Capital Account Convertibility. Briefly explain its significance in international finance.	[5] 2	2
Q.3(a)	You are given the following direct quote in Mumbai for USD/INR as ₹83.25/₹83.55. A trader wants to: (a) Buy USD 2,000, and (b) Sell USD 2,000. Calculate the INR involved in both transactions. Also, explain why different rates are used for buying and selling.	[5] 3	3
Q.3(b)	Analyze how Interest Rate Parity (IRP) influences exchange rate determination. Use a hypothetical example to support your explanation.	[5] 3	4
Q.4(a)	Evaluate the costs and benefits of Foreign Direct Investment (FDI) from the perspective of a host country like India. Support your answer with relevant government policies or examples.	[5] 4	5
Q.4(b)	Analyze the major risks involved in foreign investments. How can multinational corporations manage these risks effectively?	[5] 4	4
Q.5(a)	Explain the concepts of Nostro, Vostro, and Loro accounts with suitable examples. How are these accounts relevant in international banking transactions?	[5] 5	2
Q.5(b)	Compare the roles of commercial banks and EXIM Bank in providing import and export credit. How does Export Credit Refinance support international trade financing?	[5] 5	3 & 4

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