

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA-SEMESTER-IV-EXAMINATION-WINTER-2024

Subject Code: 1549502**Date: 12/12/2024****Subject Name: International Finance****Time: 02:30 PM TO 05:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

Q.No.		Marks
Q.1	Explanation the following terms: 1. Direct quote 2. Forward Rate Agreement 3. Bid rate 4. Netting 5. Letter of credit 6. Transaction exposure 7. Country Risk	14
Q.2	(a) What do you mean by Forward Contract? Describe its major benefits.	07
	(b) Discuss advantages & disadvantages of Gold standard.	07
OR		
	(b) What is international banking? Explain the process of internationalization of Banks?	07
Q.3	(a) Write a short note on 1. Current account transactions 2. Capital account transactions	07
	(b) Explain how Special drawing rights (SDR) are constructed? Also discuss circumstances under which SDR was created.	07
OR		
Q.3	(a) Who are the market participants in the foreign exchange market?	07
	(b) Explain the concept of International portfolio management. Discuss the problems of international investment.	07
Q.4	(a) Convert the direct quotes into indirect quotes: (a) 1\$ = Rs.40.00 / 40.05 (b) 1£ = Rs.82.00/82.07 (c) 1Euro = Rs.56.00/ 56.18	07
	(b) Explain meaning of currency futures. Also explain features of currency futures.	07
OR		
Q.4	(a) What is meaning of exposure? Explain types of exposure.	07
	(b) What is Letter of Credit? Discuss its benefits available to importer and exporter.	07

Q.5

Currency	Bid	Ask
USD/INR	39.85	39.87
EUR/INR	63.07	63.10
GBP/INR	79.70	79.72
JPY/INR (for 100 Yen)	38.40	38.43
CHF/INR	39.17	39.20
SGD/INR	29.45	29.47
CNY/INR	5.69	5.70
KPW/INR (Korean won)	4.02	4.03
ZAR/INR (African Rand)	5.13	5.15
AUD/INR	37.38	37.40
SEK/INR (Swedish Kroner)	6.71	6.75
DKK/INR (Danish Kroner)	8.45	8.48
CAD/INR	36.69	36.73
THB/INR	126.47	126.49

(a) Exchange Rate for Exporters:

07

How much money would be realized by Indian exporters for

(a) US \$ 1,000

(b) Chinese Yuan 20,000

(b) How much money would be payable for

07

(a) Euro 10,000

(b) GBP 20,000

OR

Q.5

(a) How much money would be realized by Indian exporters for

07

(a) Singapore Dollar 25,000

(b) Japanese Yen 10, 00,000

(b) How much money would be payable for

07

(a) Australian Dollar 20,000

(b) Thai Baht 10, 00,000
