

June 2016

**Bachelor of Business Administration (BBA) Examination
VI Semester**

International Finance

Time 3 Hours]

[Max. Marks 80

Note : Attempt any four questions (out of seven questions) from Section A. Each question of Section A carries 15 marks. Section B is compulsory and carries 20 marks.

Section A

1. What role does IMF play in International Monetary System ? Explain the major functions of IMF.
2. Explain the major components of Balance of Payment. What is Disequilibrium and how is it corrected ?
3. Elaborate any two theories of International Trade. What are Trade Blocs and why are they important for International Trade ?
4. How does purchasing power affect the exchange rates between two currencies? What is an equilibrium exchange rate ?
5. Describe any two instruments for raising funds from international capital markets.
6. Write short notes on any two of the following :
 - (a) Special Drawing Rights
 - (b) Capital Account Convertibility
 - (c) WTO.
7. Describe the Foreign Exchange Market in India. Who are the major participants in foreign exchange market ?

Section B

8. An authorized dealer has quoted the following rates :

Rs / GBP spot: 91.50 / 91.80	Rs / \$ spot: 62.60/62.90
Rs / GBP 3 mf: 93.40 / 93.95	Rs/\$ 3 mf: 63.50/66/15

 - (a) Calculate the forward premium or discount on Rs. with respect to GBP and \$.
 - (b) Calculate the GBP/\$ spot rate and 3 m Forward rate.

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