GALGOTIAS UNIVERSITY

ADMISSION NUMBER

School of Finance and Commerce

Master of Business Administration in Financial Management
Semester End Examination - Aug 2024

Duration : 180 Minutes
Max Marks : 100

Sem II - H1PE205T - International Financial Management

General Instructions
Answer to the specific question asked
Draw neat, labelled diagrams wherever necessary
Approved data hand books are allowed subject to verification by the Invigilator

1)	Show an understanding on IRP?	K1(2)
2)	Describe how the Fisher Effect relates to the Nominal Interest Rate, Real Interest Rate, and inflation expectations in different countries.	K2(4)
3)	Explain the functions of foreign exchange market?	K2(6)
4)	Determine the benefits from FDI to the host and home countries?	K3(9)
5)	Determine whether a currency is expected to experience appreciation or depreciation based on interest rate differentials and the interest rate parity condition.	K3(9)
6)	Develop effective strategies to mitigate economic exposure arising from fluctuations in foreign exchange rates.	K5(10)
7)	Analyze the impact of inflation differentials on exchange rates according to the theory of Purchasing Power Parity.	K4(12)
8)	'The Fisher Effect is an important relationship in macroeconomics. It describes the causal relationship between the nominal interest rate and inflation.' Comment.	K5(15)
9)	Design a research study to investigate the relationship between inflation differentials and exchange rate movements in various countries.	K5(15)
10)	FDI can have a positive impact on the economy of any country. Recent years have portrayed that many countries globally have experienced growth and improvement in their economies especially in the form of foreign direct investment. FDI can play important role in industrial advancement and economic growth in the developing countries. Some countries are very famous for receiving FDI. According to Munoz et al. (2021) USA, Netherlands, Luxembourg, China, UK, Hong Kong, Singapore, Switzerland, Ireland, and German are the top FDI recipients in the world. On the other hand, China, Luxembourg, Japan, Hong Kong, and USA are the top five countries that invest heavily in other countries. On the basis of above information. a) Analyze what are the ways through which Foreign Direct Investment come in developing country like India. b) Assess the various factors of FDI that has positive impact on economy of any country.	K6(18)