

Dr. Babasaheb Ambedkar Open University
Term End Examination January - 2026

Course	: MBA	Date	: 02/03/2026
Subject Code	: MBA04EF402	Time	: 03:00pm to 05:15pm
Subject Name	: International Financial Management	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 Explain various aspects of International Financial Management. **14**

OR

Explain the types of Disequilibrium in the balance of payments.

Q-2 Describe various components of International Monetary System. **14**

OR

Define Exchange Rate. Discuss various types of Exchange Rate in detail.

Q-3 Differentiate between Over the Counter Derivatives and Exchange Traded Derivatives. **14**

OR

Write in detail about Operating Exposure.

Q-4 Write a detailed note on Monetary/Non-monetary method. **14**

OR

Explain advantages and disadvantages of Political Risk.

Q-5 (A) Short notes (Any three) **09**

1. Nature of International Financial Management
2. Fixed Exchange Rate System
3. Structure of Foreign Exchange Market
4. Sources of Economic Exposure
5. Natural Hedging

(B) Choose the correct option: **05**

1. Which financial instrument is used for hedging foreign exchange risk?
(A) Stocks (B) Forward contracts (C) Fixed deposits (D) Mutual funds
2. Which of the following term refers to a sharp decline in the value of a country's currency due to economic instability?
(A) Currency appreciation (B) Currency depreciation
(C) Currency crisis (D) Currency union
3. Which of the following is correct with respect to quotation of foreign exchange rate?
(A) European/Indirect Quotation (B) European/Direct Quotation
(C) American/Indirect Quotation (D) None of the above
4. Which market allows customized contracts for future currency transactions?
(A) Spot market (B) Exchange-traded market
(C) Over-the-counter (OTC) market (D) Commodities market
5. Which of the following is a key feature of Greenfield Investments?
(A) Purchasing an existing company
(B) Establishing new business infrastructure
(C) Forming a partnership with a local company
(D) Licensing intellectual property
