



# AJEENKYA

## D Y PATIL UNIVERSITY

### End Term Examinations (APRIL 2019)

School : School of Management

Program: MBA – Financial Services

Course: International Financial Management

Course Code: MGT640

Semester: IV

Max Marks: 70 Marks

Duration (mins) : 150 Mins.

- Note :
1. Figures to the right indicates full marks.
  2. Attempt any Four from Q.1 to Q. 6
  3. Attempt any One from Q.7 to Q. 9

Q1. Identify the country in which it is Direct Rate (15M)

- 1USD = CAD 1.1630/50
- 1USD = NZD 1.5510/1.5560
- 1GBP = US D 1.7412/1.7418

find out 1CAD/USD , 1 NZD/USD & 1USD/GBP quotation in outright form.

Q2. Cross Currency Rate (15M)

- USD INR = 60.2530/60.2528  
GBP USD = 1.6260/1.6265 . Find GBP INR
- USD SGD = 1.5430 /1.5435  
SGD GBP = 0.3340 /0.3342 . Calculate GBP.USD
- GBP USD = 1.7071 /1.7075  
USD INR = 60.1010 / 60.1012. Calculate INR GBP

Q3. Spread and Spread % Calculate i) Mid Rate ii) Spread iii) Spread % (15 M)

- Spot EUR USD = 1,5160 / 1.5220
- Spot (Euro/Pond) = 1.6543/1.6557
- Spot(pound/NZ\$) = 0.2786/0.2800

Q4. Identify if triangular arbitrage exists and calculate the same.

- |                   |                          |
|-------------------|--------------------------|
| a) EUR/USD 1.3132 | b) USD/CAD 1.1685/1.1695 |
| USD/SGD 1.4733    | USD/CHF 1.3785/1.3795    |
| EUR/SGD 1.9332    | CAD/CHF 1.1885/1.1895    |

Q5. Identify the interest covered arbitrage and calculate the same assuming 1 million of currency as capital. (15 M)

- |                                |                                 |
|--------------------------------|---------------------------------|
| a) Spot AUD/SEK 6.3550         | b) Spot USD/CAD 1.0510          |
| 120 days forward 6.3320        | 3 months forward USD/CAD 1.0560 |
| SEK interest rate = 1.20% p.a. | CAD interest rate = 1.60% p.a.  |
| AUD interest rate = 3.00% p.a. | USD interest rate = 0.60% p.a.  |

Q6. Define International Finance and describe the components of International Finance. (15 M)

Q7. Discuss in detail Exchange Rate Regime. (10 M)

Q8. Briefly Explain ADR Mechanism. (10 M)

Q9. Define MNC and the features of MNC's. (10 M)

\*\*\*\*\* ALL THE BEST \*\*\*\*\*