

R09

Code No: E5402

**JAWAHARLAL NEHRU TECHNOLOGICAL UNIVERSITY HYDERABAD
MBA – IV Semester Examinations, February -2012
INTERNATIONAL FINANCIAL MANAGEMENT**

Time: 3hours

Max. Marks: 60

**Answer any five questions
All questions carry equal marks**

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1. What is the significance and importance of balance of payment surplus?
2. What economic factor affects balance of payment?
3. What role does IMF?
4. Why was World Bank created? What type of projects are financed by it.
5. Enumerate important facilities of the IMF.
6. Given the following data.
Spot rate: Rs35.0020=\$1
6months forward rate: 35.9010=\$1
Annualized interest rate on 6-months rupee: 12 percent
Annualized interest rate on 6-months dollar: 7percent
Work out the arbitrage possibilities.
7. Explain the theory of purchasing power parity (ppp) with suitable numerical examples.
8. Write note on the theory of interest rate parity.
