

**Time: 2:30 Hours****Marks: 75**Q.1) A) Match the following options correctly (**Any Eight**)

Group A	Group B
1. International Finance	a. LIBOR
2. International Merger	b. Credit-rating agencies hired by Lead Manager
3. International Acquisition	c. Financial institute/international investment bank in foreign country appointed by Issuing Company
4. Restricted ADRs	d. International Financial Markets
5. Book Runners	e. Facebook and WhatsApp
6. Depository Bank	f. TATA and Jaguar
7. Euro-Currency Bonds Market	g. Horizon Risk
8. Euro-Currency Credit Market	h. Translation Risk
9. Foreign Exchange Risk	i. Zero Coupon Bonds
10. Investment Risk	j. Section 144A

Q.1) B) State whether the following statements are True or False (any Seven)

1. International Finance concerns transnational and cross-national transactions with domestic transactions.
2. Currency Crisis is not a challenge to International Finance.
3. Cost of Capital is the maximum rate of return that a business must earn before generating value.
4. Capital Budgeting is the process of calculating the present value of the firm.
5. Depository Receipts are negotiable instruments.
6. The time period of Cooling-Off Period is 80 days.
7. Restricted ADRs are Sponsored ADRs.
8. The paid up capital for IDR is Rs. 1,000 Million.
9. Bond issued, underwritten and traded with the currency and regulations of the borrower's country is called as Foreign Bonds.
10. Credit risk is loss of purchasing power of a currency.

Q.2) Attempt with **A&B** or **C&D****(15 Marks)**

- A. Define the term International Finance. List out the various challenges faced in International Finance.
- B. What do you mean by International Mergers and Acquisitions? Write a brief note about the trends and characteristics of Cross Border Mergers and Acquisitions?

**OR**

- C. What do you mean by "Capital Budgeting"? Explain the process of capital budgeting.
- D. Critically evaluate the why firms engage in cross-border mergers and acquisitions.

Q.3) Attempt with **A&B** or **C&D**

**(15 Marks)**

- A. Explain in detail the various types instruments as seen in International Money Market.
- B. Describe the complete process of Global Depository Receipts (GDRs) issue.

**OR**

- C. Write a brief note about the emerging Stock Markets in the world.
- D. What do you mean "Depository Receipts"? Explain the different types of American Depository Receipts.

Q.4) Attempt with **A&B** or **C&D**

**(15 Marks)**

- A. What is "Eurocurrency Markets"? What are the different types of Eurocurrency Markets.
- B. What do you mean by "International Bond Market"? What are the different types of risks associated with investing in Bond Markets?

**OR**

- C. What are the factors responsible for the growth of Eurocurrency Markets?
- D. Differentiate between Foreign Currency Convertible Bonds and Foreign Currency Exchangeable Bonds.

Q.5) Attempt with **A&B** or **C**

**(15 Marks)**

- A. What are the different types of Investment Risk and Market Risk?
- B. Explain the following obstacles to International Investment:
  - 1) Taxation
  - 2) Information Barriers

**OR**

- C. Choose any **03 (any three)** of the following

**(5m\*3=15m)**

- i. Cost of Capital
- ii. Indian Depository Receipts
- iii. Euro Currency Bonds
- iv. Participatory Notes
- v. Political Risks as an obstacle to International Investment

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