Course Code: 23MB4EF02

BONAM VENKATA CHALAMAYYA INSTITUTE OF TECHNOLOGY & SCIENCE

(AUTONOMOUS)

II –MBA II-Semester Regular/Supplementary Examinations (BR23), May - 2026

GLOBAL FINANCIAL MANAGEMENT (MBA)

Time: 3 hours Max. Marks: 70

PART - A Answer ONE Question from each UNIT (5 x 12 = 60 Marks)
All Questions Carry Equal Marks
PART - B Compulsory (1 x 10 = 10 Marks)

PART -A

	UNIT-I	Marks	CO	BL
1.a)	Discuss different exchange rate regimes and their features.	6M	C226.1	L6
b)	Analyze the causes and consequences of the South East Asian financial crisis.	6M	C226.1	L4
	OR			
2.a)	Evaluate the effectiveness of the Bretton Woods system in maintaining global financial stability.	6M	C226.2	L5
b)	Explain the structure and functioning of the European Monetary System.	6M	C226.2	L2

	UNIT-II	Marks	CO	BL
3.a)	Discuss the role of derivatives in managing foreign exchange risk.	6M	C226.3	L6
b)	Evaluate different techniques used by firms to manage foreign exchange exposure.	6M	C226.3	L5
	OR			
4.a)	Explain the working of forward contracts in forex markets.	6M	C226.3	L2
b)	Explain transaction, translation, and economic exposure in foreign exchange risk.	6M	C226.3	L2

	UNIT-III	Marks	CO	BL
5.a)	Discuss the role of commercial papers in international markets.	6M	C226.4	L6
b)	Evaluate the advantages of Euro markets for multinational corporations.	6M	C226.4	L5
	OR			
6.a)	Explain floating rate instruments and their significance.	6M	C226.4	L2
b)	Assess the importance of loan syndication in global finance.	6M	C226.4	L5

	UNIT-IV	Marks	CO	BL
7.a)	Describe multinational capital budgeting techniques.	6M	C226.5	L2
b)	Assess the impact of political and economic risks on foreign investments.	6M	C226.5	L5
	OR			
8.a)	Discuss the factors affecting foreign investment decisions.	6M	C226.5	L6
b)	Examine strategies used by MNCs to minimize investment risk.	6M	C226.5	L4

	UNIT-V	Marks	CO	BL
9.a)	Explain foreign currency transaction accounting methods.	6M	C226.6	L2
b)	Analyze the impact of transfer pricing on multinational taxation.	6M	C226.6	L4
	OR			
10.a)	Explain transfer pricing and its objectives.	6M	C226.6	L2
b)	Explain concept of Re-Sale price method in Transfer pricing.	6M	C226.6	L2

PART – B

	CASE STUDY	Marks	CO	BL
11	An Indian exporting company expects to receive $1 million after three months. The firm is worried that the US dollar may depreciate against the Indian rupee, reducing its revenue. To manage this risk, the company enters into a forward contract with a bank to sell dollars at a fixed exchange rate. Alternatively, it considers using currency options to retain upside potential if the dollar appreciates. By using forex derivatives such as forwards and options, the firm protects itself from exchange rate volatility while ensuring predictable cash flows. This demonstrates how derivatives help in effective risk management. **Questions:** 1. What are the advantages of using forward contracts over options in this case? 2. How do forex derivatives help firms manage exchange rate risk?	10M	C226.3	L4

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