

**POST GRADUATE DIPLOMA IN
INTERNATIONAL BUSINESS
OPERATIONS/MASTER OF COMMERCE**

Term-End Examination

June, 2007

**IBO-06 : INTERNATIONAL BUSINESS
FINANCE**

Time : 3 hours

Maximum Marks : 100

Note : *Attempt any **five** questions. All questions carry equal marks.*

1. (a) What is international monetary system ? Why is it needed ?
(b) What are SDRs and how are they created ? 12+8
2. Explain Euro Convertible Bonds. Are they more beneficial to the issuer than GDRs ? 12+8
3. How is exchange rate determined by purchasing power parity ? 20
4. Explain and illustrate, with the help of an example, how money market may be a good hedging technique. 20

5. Explain the financial and non-financial benefits of project export. 20
6. What is prime lending rate ? Explain the two basic approaches to loan pricing. 4+16
7. Explain the various non-DCF and DCF techniques of project appraisal. Which of the techniques in your opinion is better and why ? 12+8
8. What are foreign exchange markets ? Explain the different types of foreign exchange transactions. 4+16
9. Write short notes on any **two** of the following : 10+10
- (a) LIBOR
 - (b) Repurchase Agreements
 - (c) Forfaiting
 - (d) Real option value