

[A-8]

## SARDAR PATEL UNIVERSITY

FOURTH YEAR B.B.A. (Honours) EXAMINATION

SEMESTER VIII (ITM) (CBCS)(2010 BATCH)(NC)

SATURDAY, 21<sup>ST</sup> APRIL-2018

2.00 pm to 4.00 pm

## UM08EBBI03 FUNDAMENTALS OF INTERNATIONAL FINANCE-II

Marks: 60

- Q-1(a) Write short note on MNC capital budgeting, what are basic issues involve in it? [08]
- Q-1(b) Write short note on (a) Incorporating Country risk analysis in capital budgeting (b) Parent v/s Project cash flows, Issues involved in foreign investment analysis [07]
- OR
- Q-1 Write short note on: (a) Expropriation (b) Exchange rate change & Inflation (c) Tax treatment of foreign source income, involved in foreign investment analysis [15]
- Q-2 Discuss the estimation of incremental cash outflows and incremental CFAT for subsidiary company and parent company in case of international capital budgeting decision. [15]
- OR
- Q-2 Explain various methods of evaluation of capital budgeting proposals used by MNCs. [15]
- Q-3 Give Meaning of Cost of Capital for MNC. Why Cost of capital across countries is different? [15]
- OR
- Q-3(a) Write Short note on (a) Cost of equity using CAPM (b) Adjusted Present Value Approach [08]
- Q-3(b) "The cost of capital for MNCs may differ from that for domestic firms" Discuss [07]
- Q-4(a) Discuss the intra-flow of cash in the international scenario. [10]
- Q-4(b) Why is the management of working capital more complex in the international firm than in a domestic firm? [05]
- OR
- Q-4 Write a note on the following in the context of international firms: [15]
- a. Steps in management of Cash and Near cash
- b. Financing of Current Assets

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