

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai — 600 044.

M.Com.(A&F) - END SEMESTER EXAMINATIONS NOVEMBER - 2023

SEMESTER - III

20PAFCT3009 - International Financial Management

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Discuss the Determination of Exchange Rates.
2. Write short note on Foreign Exchange and Euro currency Markets.
3. What are the gains from the international financial market?
4. Write short note on IRR method.
5. Appraise the objectives of capital Budgeting.
6. Describe the traditional approach to capital structure.
7. What is operating cycle? Explain its significance.
8. Explain the fixed working capital.

Section C

I - Answer any **TWO** questions ($2 \times 10 = 20$ Marks)

9. Explain the International Equity market. Elaborate its advantages and disadvantages.
10. Explain the Capital Asset Pricing model (CAPM) and International Asset Pricing model (IAPM).
11. A job which is presently done entirely by manual method has a labour cost of Rs.46,000 a year. It is proposed to install a machine to do a job which involves an investment of Rs.80,000 and an annual operating cost of Rs.10,000. Assume that the machine can be written off in 5 years on straight line depreciation basis for tax purposes. Salvage value at the end of its economic life is zero. The tax rate is 55%. Analyse the economic implications of the proposal by the IRR method?
12. Explain the theories of Capital Structure.

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II - Compulsory question ($1 \times 10 = 10$ Marks)

13. From the following information relating to P Ltd., Calculate

- a) Operating cycle
- b) Number of operating cycles
- c) Average working capital required, if annual cash operating expenses are Rs.150 lakh.

Stock holding : Raw material - 2 months

Work in Progress (W.I.P) - 15 days

Finished goods - 1 month

Average debt collection period - 2 months

Average payment period - 45 days
