

AR17

Code: 17MBA4003 **SET-2**
ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)
II MBA IV Semester Regular & Supplementary Examinations, September-2020
INTERNATIONAL FINANCIAL MANAGEMENT

Time: 3 Hrs

Max. Marks: 60

Answer any five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory

1. a) Explain the factors responsible for growing importance of IFM **6M**
b) Define Balance of Payments (BOP) and explain recent trends in BOP. **6M**
2. a) Explain about current rate agreements. **6M**
b) Explain the concepts of Exchange rate arrangements. **6M**
3. a) Explain the major Functions of Foreign exchange market **6M**
b) Explain the foreign exchange management risk. Explain different types of foreign exchange risks. **6M**
4. a) Explain the role of government influencing on exchange rates. **6M**
b) Discuss about the relationship between Inflation, Interest rates and Exchange rates. **6M**
5. a) Explain about the concept of International Capital Structure. **6M**
b) Explain about the concept of Equity in detail. **6M**
6. a) Explain about the Trade Finance Methods **6M**
b) Discuss about the concept of international cash management and Inventory Management. **6M**
7. a) Explain Export-Import (Exim) Bank of India. **6M**
b) Define Fisher Effect and its practical use. **6M**

8.

CASE STUDY:

12M

IBM's motivation in entering into its celebrated currency swaps with the World bank was fuelled by its desire to lock in both interest rate gains and currency gains. IBM had borrowed Swiss francs and D-marks, converting the process of its debt to dollars. This created two risks – the first an exposure to interest to interest rates, since it was fixed rate debt; the second to currency exposure, since dollars would be used to repay the bond issues. Executing the swap s enabled IBM to lock in gains resulting from favorable interest rate and currency movements. IBM could also have realized the gains in the forward foreign exchange rate. Liquidity in the forward foreign exchange market would not however have resulted in a price competitive with the cost of the swap. IBM used the swap to create cheap dollar debt.

Here IBM's outstanding cash flow in D- marks. The cash flows lock like those generated by fixed coupon of 10%on a bullet issue of D-mark 300,000,000. So if IBM is paid 11% in a swap , its interest rate gain is 1% p.a. or in present value terms is 3.696% if the discount rate is also 11%

	D- marks (Rs.)
Year1	3,00,00,000.00
Year2	3,00,00,000.00
Year3	3,00,00,000.00
Year4	3,00,00,000.00
Year5	33,00,00,000.00

Questions: How much is IBM's Currency gain or loss

AR17

Code: 17MBA4005

SET-2

ADITYA INSTITUTE OF TECHNOLOGY AND MANAGEMENT, TEKKALI
(AUTONOMOUS)

II MBA IV Semester Regular & Supplementary Examinations, September-2020
GLOBAL HUMAN RESOURCE MANAGEMENT

Time: 3 Hrs

Max. Marks: 60

Answer any Five questions
All questions carry EQUAL marks
Question No. 8 is Compulsory

1. a) Explain the significance of International Human Resource Management. 4
b) Discuss how it is different from Domestic Human Resource Management 8
2. The MNCs take on a formidable role in labour relations and often are a threat to Industrial Democracy- Elucidate. 12
3. a) Describe the expatriate selection process in detail. 6
b) Discuss the major challenges in international recruitment and selection 6
4. a) Critically analyze the process of cross culture management. 6
b) Discuss the different issues involved building cross cultural teams for enhancing the organizational purpose. 6
5. a) Rising number of women keen on accepting international assignments is a challenge to MNCs- Comment 9
b) What is talent crunch? 3
6. a) Discuss the different approaches to fixing up compensation of expatriates 9
b) What are the challenges in fixing expatriate compensation? 3

7. a) How is global HRD climate different? **5**
b) Describe the measures to be adopted to create the right HRD climate in the global context. **7**
8. **CASE STUDY:** **12**

Mr. Raghunath an Indo-Malaysian established SPL Ltd in Malaysia. The Company employs personnel from Australia, New Zealand, India, Philippines and Malaysia based on the cost of employees and skills availability. Employees from Australia and New Zealand are at strategic positions. Indians are mostly in the second level of organizational hierarchy. Filipinos and Malaysians are mostly appointed as pharmacists and branch managers. Highest level of salaries and benefits including car and luxury apartments are provided to Australians and New Zealanders followed by Indians. Salaries paid to Filipinos and Malaysians are very less compared to the first two categories. The Company offered salaries and benefits based on hierarchy and national expatriate basis. But the employees from Malaysia and Philippines feel that they are discriminated and paid less.

The CEO knows pretty well that discrimination is essential to attract the qualified people as well as to keep the cost of staff low in view of competition. Management of the company is very much concerned about the strategies of the company, cultural variations, and employee expectations.

Questions :

1. Do you think there is a misalignment among organizational strategies, HR strategies and cultural issues?
2. Identify the problems related to sourcing of employees in this Company .