

Comprehensive Concurrent Evaluation
MBA II/SEM III/305 International Finance
Faculty Name: Prof. Nilambari Moholkar

Sr. No	Components	Total Marks	Date of Submission
1	Written Home Assignment	50	15 th March 2022
2	Case Study	50	15 th March 2022
3	Exam	50	15 th March 2022

Important Instruction:-

1. The submission has to be in the format prescribed for each component.
2. Answers should be in own words, copied answers will be not be marked.
3. Student Name, Contact number & Specialization must be clearly mentioned on the submission sheets.

Components 1

Written Home Assignment

1. What do you mean by International finance? Give importance of International finance?
2. Describe about Gold Standard System?
3. What are the Emerging Challenges in International Finance?
4. Give about various Currency Market instruments? Explain any 2 of them.
5. Exchange rate regime in today business world.
6. Briefly about Structure and participants of the global financial system with figure.
7. Give the Structure and participants of the global financial system?
8. Define International Finance and its goals?
9. Describe about effects on India economics due to Balance of payment ?
10. Give the significance of International monetary Fund?

Components 2**Case Study 1**

The Kellogg Company is the world's leading producer of ready-to-eat cereal and other snacks. The principle markets for these products include the U.S and the U.K Kellogg's operations are managed divisions- U.S. and International- with international further delineated into Europe, Latin America, Canada, Australia and Asia. Net earnings for fiscal year 2000 were USD 587.7 Million on sale of USD 6.95 billion. Kellogg estimated that the overall impact of a strong USD against the major currencies, especially against the EUR and GBP, on operating profits was 6%. Kellogg estimated that by region, the impact on operating revenue was -9.1% in Europe, and -2.0% in Latin America. According to Kellogg's financial statement, the company is exposed to fluctuations in foreign currency cash flow related primarily to third party purchases, intercompany product shipments, and intercompany loans. The company is also exposed to fluctuations in the value of foreign currency investment in subsidiaries and cash flows related to representation of these investments. Additionally, the company is exposed to volatility in the translation of foreign currency earning to USD.

1. Explain in details the different types of currency risk faced by Kellogg's company .

Case Study 2

In September 2004, Wipro had an accumulated mark to market loss of over Rs. 2.5 billion on a \$1 billion hedge that it instituted. Back in, when the Indian rupee was climbing rapidly , Wipro had changed its risk management policy and decided to hedge a major part of its anticipated dollar revenues for that year. Since then, a change of Government of India and major changes in global economic environment had changed the picture dramatically. Over the 6 month period dollar had risen by 6%.

1. According to you how Wipro Company has managed the currency risk?



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Components 3
Exam
Exam All units