

# WOMEN'S UNIVERSITY IN AFRICA



*Addressing gender disparity and fostering equity in University Education*

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**FACULTY OF MANAGEMENT AND ENTREPRENEURIAL SCIENCES**

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**BSc HONOURS DEGREE IN MANAGEMENT AND ENTREPRENEURIAL STUDIES  
SPECIALISING IN BANKING AND FINANCE**

**BACHELOR OF ACCOUNTING SCIENCE HONOURS DEGREE**

**MAIN PAPER**

**BMF 313: INTERNATIONAL FINANCE**

**INTAKE 24: FOURTH YEAR FIRST SEMESTER**

**INTAKE 10: SECOND YEAR SECOND SEMESTER**

**TIME: 2 HOURS**

## **INSTRUCTIONS TO CANDIDATES**

Answer any **three** questions.

### Question 1

- a) Explain the developmental challenges faced by MNC in setting up their business in developing nations. [15]
- b) Discuss the role played by International Monetary Fund to the Zimbabwe economy. [10]

### Question 2

- a) Explain the historical development and operation of the Eurocurrency markets. [10]
- b) Examine the cost and benefits of international trade to the Zimbabwe economy. [15]

### Question 3

- a) Suppose Boeing imported a jet engine worth £5 000 000 payable in one year. The following market conditions are prevailing. Describe how one would hedge using the four strategies. [16]

$$i/\text{£} = 6.00\%$$

$$i/\text{£} = 6.50\%$$

$$S_0 = \$1.80/\text{£}$$

$$F = \$1.75/\text{£}$$

- b) Describe the international bond markets [9]

### Question 4

- a) Explain the measures which have been taken by the Reserve Bank of Zimbabwe to manage the ever rising black markets rates. [13]
- b) With use of diagram, explain the direct and indirect exchange rate quotations. [4]
- c) Explain the role of four participants in the foreign exchange market [8]

### Question 5

- a) Describe how the interbank rate is formed up with [4]
- b) Explain the determinants of exchange rate in the Zimbabwe economy [12]

- c) Describe how fundamental and technical analysis can be used in exchange rate forecasting [9]

**Question 6**

- a) Explain the measures being taken by the Zimbabwean government to increase foreign direct investment. [13]
- b) Describe the four country risk assessment techniques that can be used by potential investors on the Zimbabwe investment. [12]

**END**