



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY**  
**SCHOOL OF BUSINESS AND ECONOMICS**  
**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS**  
**ADMINISTRATION WITH IT**  
**4<sup>TH</sup> YEAR 2<sup>ND</sup> SEMESTER 2024/2025 ACADEMIC YEAR**

**MAIN CAMPUS**

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**UNIT CODE: BAB 1416**

**UNIT NAME: INTERNATIONAL FINANCE**

**EXAM VENUE: LAB 6**

**DATE: 14/04/2025**

**EXAM SESSION: 9.00 – 11.00 AM**

**DURATION: 2 HOURS**

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**Instructions:**

- 1. Answer question ONE and any other TWO questions**
- 2. Candidates are advised not write on the question paper**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

**QUESTION ONE (30 Marks-Compulsory)**

- i) Discuss the meaning and importance of International Finance (4 marks)
- ii) With suitable examples discuss the various components of international financial environment. 10mks
- iii) Explain the concept of balance of payment deficits and highlight the measures to control it. (10 marks)
- iv) Describe any three types of risks associated with international finance. (6 marks)

**QUESTION TWO (20 Marks)**

- i) Discuss briefly the key components of international financial markets (16 marks)
- ii) Discuss the concept international monetary system (4 marks)

**QUESTION THREE (20 Marks)**

- i. Explain the importance of international fisher effect (4 marks)
- ii. Discuss the theories and models of exchange rate determination (10 marks)
- iii. Explain the different types of foreign exchange exposures in a foreign exchange market (6 marks)

**QUESTION FOUR (20 Marks)**

- i. List and explain five types of Hedging through derivative securities (10 marks)
- ii. With suitable examples discuss the various types of country risk analysis (6 marks)
- iii. Differentiate between foreign direct investment and foreign portfolio management (4 marks)

**QUESTION FIVE (20 Marks)**

- a. Briefly discuss the various techniques of evaluation of projects through international capital budgeting (12 marks)
- b. Explain the various short term overseas financing resources (8 marks)