



CYFENN:

Cyfarwyddiadau i Ymgeiswyr

1. Rhwch yr holl wybodaeth y gofynnir amdani yn y blychau isod.
2. Rhwch eich enw yn y lle a ddarparwyd ar y dde, plygwch ef a'i seilio i lawr (gan ddefnyddio'r label a ddarparwyd) i guddio'ch enw.

3. Rhaid i'r atebion fod mewn llawysgriften ddarlennadwy. Gall yr Arholwyr naill ai anwybyddu sgript annarllennadwy, neu drefnu iddi! gael ei theipio a chael yr ymgeisydd i dalu.

4. Ysgrifennwch eich atebion mewn inc.

5. Dechreuwch bob ateb ar dudalen newydd. Gwnewch unrhyw fras nodiadau yn y llyfr atebion a thynnu llinell drwyddynt.

6. Ni ddylid rhwgo unrhyw ran o'r llyfr hwn; rhaid ei gyflwyno yn gyfan.

7. Os defnyddir mwy nag un llwytr, rhwymwch hwy gyda'i gilydd gan ddefnyddio'r tagiau sydd ar gael oddi wrth y gwylwyr/gwylwyr.

8. Rhaid dychwelyd pob llyfr. Ni chaniateir mynd â llyfrau atebion, wecl eu defnyddio neu heb eu defnyddio, allan o'r lleoliad arholi o dan unrhyw amgylchladau.



Examination Answer Books

12 Pages

Instructions to Candidates

1. Please give the information requested in the boxes below.
2. Enter your name in the space provided to the right, fold over and seal down (using the label provided) to hide your name.
3. The answers must be legibly written. The Examiners can either ignore illegible script or have it typed and the expense of typing charged to the candidate.
4. Write your answers in ink.
5. Begin each answer on a fresh page. Do all rough work in the answer book and cross it through.
6. No part of this book is to be torn out; it must be handed in complete.
7. If more books than one are used, fasten them together using the tags available from the invigilator(s).
8. **Every book must be handed in. In no circumstances may answer books, used or unused, be taken out of the examination venue.**

1	Student Number	202 96 05
2	Title of Examination Paper	International Financial Management
3	Module Code	LEBB6002
4	Date and Time of Examination	10:00am 25.07.23
5	Examination Venue	QP LR 8
6	Seat Number	
7	Number of Answer Books handed in	

[illegible]

Sec A = 20
Sec B = 20
Sec C = 12

52

Complete, fold and seal
(see note 2 below)

SURNAME: Gurdur Z

FORENAME(S): Hua

Section A

Question 1

$$\text{USD/EUR} : 1.033$$

$$\text{CNY/GBP} : 8.037$$

$$\text{CNY/JPY} : 0.483$$

$$\text{a) USD/EUR} : 1.033$$

$$\text{EUR/USD} : 0.96$$

d) Inflation rate

$$\text{b) CNY/GBP} : 8.037$$

$$\text{CNY/JPY} : 0.483$$

$$\text{JPY/GBP} : 0.06$$

$$\text{c) USD/EUR} : 1.082 \text{ old value}$$

$$\text{USD/EUR} : 1.033 \text{ new value}$$

$$= (1.033 - 1.082) / 1.082 \times 100 =$$

$$= -0.045 / 1.082 \times 100 = -4.16\%$$

$$= -0.049 / 1.082 \times 100 = -4.52\%$$

The euro has depreciation to the US Dollar over the previous year.

Section B Question 2.

$$\text{a) i) } E_i = R_f + \beta(E_{m} - R_f) =$$

$$= 5 + 0.7(15 - 5) = 5 + 0.7(10) = 12\% \text{ (AET Co)}$$

$$\text{ii) } E_i = R_f + \beta(E_{m} - R_f) =$$

$$= 5 + 1.4(15 - 5) = 5 + 14 = 19\% \text{ (BOR Co)}$$

$$\begin{aligned} R_f &= 5\% \\ E_m &= 15\% \\ \beta &= 0.7 \\ \beta &= 1.4 \end{aligned}$$

Section B: Question 1

$$V_e = 20m \times 5,50 = 110$$

$$V_d = 29m \times (107,11/100) = 29m \times 1,07 = 31,03$$

$$V_e + V_d = 141,03$$

$$K_e = 12,5\%$$

$$K_d = 6,02\%$$

$$(1-T) = 1 - 25\% = 0,75$$

$$WACC = \left(\frac{V_e}{V_e + V_d} \right) K_e + \left(\frac{V_d}{V_e + V_d} \right) K_d (1-T) =$$

$$= \left(\frac{110}{141,03} \right) \times 12,5 + \left(\frac{31,03}{141,03} \right) \times 6,02 \times 0,75 =$$

$$= 0,77 \times 12,5 + 0,22 \times 6,02 \times 0,75 =$$

$$= 9,62 + 0,99 = 10,61\%$$

a) The market value WACC of Burre Co is 10.61%

Section C

1 Depreciation is a process of:
A) Valuation

2. If a country's currency strengthens, what effect will it have on its exporters and importers?

B Exporters Better off Importers Worse off

3) Which of the following statements about NPV and IRR is accurate?

A) NPV calculations are needed to estimate IRR using linear interpolation.

- ✓ 4) C) Eurobonds
 ✓ 5) D) Maximise share holders wealth
 ✗ 6) D) External
 ✓ 7) B) International Monetary fund.
 ✓ 8) B) lost of equity
 ✗ 9) B) Stocks
 ✓ 10) C) A and B

A) Future contracts are the agreements between two parties to undertake a transaction at an agreed price.

B) Future contracts are the agreements between two parties to undertake a transaction on a specified future date.

GA2 = 12

