

NATIONAL UNIVERSITY OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE
DEPARTMENT OF FINANCE
BACHELOR OF COMMERCE HONOURS DEGREE IN FINANCE
PART IV 2ND SEMESTER SUPPLEMENTARY EXAMINATION – AUGUST 2004
INTERNATIONAL FINANCE II [CFI 4202]
TIME ALLOWED: 3 HOURS

INSTRUCTIONS

1. Attempt **ALL** Questions

Question One [30 marks]

- a. Discuss between Portfolio and Foreign direct investment [10 marks]
- b. Discuss the possible causes of debt crisis in an economy [10 marks]
- c. Should the decision whether to undertake a foreign project be based solely on the cashflows free to be remitted to other companies in the group and the parent company? [10 marks]

Question Two [30 marks]

Discuss the advantages and disadvantages of a foreign subsidiary obtaining a listing on the local Equity market.

Question Three [20 marks]

Discuss the motive of firms who seek to obtain funds outside the country?

Question Four [20 marks]

What actions can a firm take to minimize its global tax liability? On ethical grounds, can such actions be justified?