



CHRISTIAN SERVICE UNIVERSITY COLLEGE
KUMASI, GHANA
CSUC SCHOOL OF BUSINESS
DEPARTMENT OF ACCOUNTING AND FINANCE
MSC ACCOUNTING AND FINANCE
END OF SECOND SEMESTER EXAMINATIONS – 2019/20 ACADEMIC YEAR
LEVEL 500
MACF 508: INTERNATIONAL FINANCE

JUNE, 2020

60 MARKS

INSTRUCTIONS TO CANDIDATES:

- **Answer TWO Questions (for 30 marks each)**
 - Write your answer on the **answer sheets provided**
 - **Your answer for EACH QUESTION should be SIX (6) pages minimum.**
 - *Please present your answer in ESSAY form*
 - Write your index number clearly at the top of every page of the answer sheets used.
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Note: Marks will be awarded for:

- Introduction
- Content
- Conclusion
- Evidence of Further Reading
- Originality and Independence (Cheating would be penalized and integrity rewarded)
- Correct grammar, clarity of expression and logical presentation of facts.
- Answers to questions must be well referenced.

Examiner: Joyce Ama Quartey

Each question earns a maximum of 30 marks.

Question 1

Agency problem is common with multinational corporations (MNCs). What are the likely causes of an agency problem? How can such agency problems be solved? **30 marks**

Question 2

The price of a currency is generally determined by the demand for that currency relative to the supply of that currency. Critically examine the factors that influence the exchange rates of countries. **30 marks**

Question 3

a. Effective governance is a pre-requisite for more participation and trading in stock markets. Examine some of the key factors that can allow for stronger governance and therefore increase participation and trading activity in a stock market. **20 marks**

b. How can you describe Ghana stock market bearing in mind the factors that allow for stronger governance and increase trading activity in a stock market? **10 marks**

Question 4

a. Generally firms prefer to finance the temporary component of current assets with short-term funds. Examine some short-term financing options that may be available to a multinational corporation. **20 marks**

b. Covid-19 pandemic has affected almost every economy in the world. As a finance student, discuss the impact of covid-19 on the economic activities of multinational corporations globally. **10 marks**