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MS-45

MANAGEMENT PROGRAMME

(MP)

Term-End Examination

December, 2023

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

***Note** : Attempt any **five** questions. All questions carry equal marks.*

1. Explain in brief the International Financial Architecture and discuss the origin of developing countries debt crisis. What were the causes of the East Asian Crisis (1997).
2. What do you understand by Exchange Rate Arrangement ? Discuss in brief the various exchange rate arrangements and explain in detail the Bretton Woods Exchange Rate System.

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3. What is a 'Currency Swap' ? Explain the operating mechanism of 'fixed to fixed rate currency swap' and 'fixed to floating currency swap'.
4. What do you understand by Exchange Rate Exposure ? Explain transaction exposure and discuss the major internal techniques used for management of transaction exposure.
5. What do you understand by External Commercial Borrowings (ECBs). Explain the procedure adopted for raising ECBs and discuss the end use restrictions of these borrowings.
6. Explain the role of Export Credit Guarantee Corporation (ECGC) in financing of exports from India. Discuss the various types of guarantees offered by ECGC to banks and special schemes offered by them to exporters and banks.
7. Why does the cost of capital for Multinational Corporations differ from that for domestic firms ? How is the cut off rate for foreign projects determined.
8. How does the working capital management of domestic firms differ from that of multinational firms. Discuss the techniques used to optimise cash flows in MNCs and explain complications in optimisation of cash flows.