

MANAGEMENT PROGRAMME

Term-End Examination

June, 2016

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

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

1. How does the International Monetary Fund (IMF) raise its resources ? What are the Special Drawing Rights ? Discuss the IMF's Funding Facilities available to member countries.
2. Why do Foreign Exchange Rates Fluctuate ? Explain the Floating exchange rate system and discuss the historic developments which led to floating exchange rate system.
3. Explain the interest rate parity relationship, giving it's applications and reasons for deviation.
4. What are the different types of Exchange Rate Exposures ? Explain the techniques used to manage Translation and Economic Exposure.

5. What are External Commercial Borrowings (ECBs)? Explain the guidelines for accessing ECB's through Automatic route.

 6. Explain the various types of Export Credit facilities available to the Exporters in India.

 7. Why cost of Capital for Multi-National Corporations differs from that of domestic firms ? How is cut off rate for foreign projects determined ? Discuss.

 8. Explain International Diversification for Portfolio Management and discuss barriers to it.
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