

No. of Printed Pages : 3

MS-45

Management Programme (MP)

Term-End Examination

June, 2020

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

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

1. What is International Financial Architecture ?

Discuss the origin of developing countries debt crisis and analyse the East Asian Crisis (1997).

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2. Describe the different kinds of international financial flows and comment on the structure of balance of payments. What are the basic principles governing recording to these flows ?
3. What are currency options ? Describe the various currency option strategies and explain the profit profile of these strategies.
4. What is Transaction Exposure ? Discuss the major internal techniques used for management of transaction exposure.
5. Explain the various lending programmes of Export-Import Bank of India for exporters. What are the facilities provided by it for commercial banks and overseas entities ? Discuss the meaning and role of guarantee facility and forfeiting service provided by it.

6. Why is cost of capital different across countries ? Describe the factors contributing to differences in the risk free rate and the risk premium across countries.
7. What are the major problems faced by MNCs in managing cash ? Describe the techniques through which cash flows can be optimized. What complications arise during optimization of cash flows ?
8. Explain the concept and importance of international diversification and benefits as compared to domestic investment. Describe some of the barriers to international portfolio diversification.