

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**December, 2014**

02911

**MS-45 : INTERNATIONAL FINANCIAL  
MANAGEMENT**

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

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

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1. Explain and distinguish between Fixed Exchange Rate and Floating Exchange Rate system. Which one is more suitable and why ?
2. Briefly discuss about the Spot Exchange Market. Explain the significance of various participants in the Exchange Market.
3. What is Transaction Exposure ? Discuss the major internal techniques used for management of transaction exposure.
4. What are the complexities associated with Financing Foreign Trade ? Distinguish between Pre-shipment and Post-shipment Export Credit. What factors are taken into consideration by the banks while providing such credit ? What role is played by Letter of Credit in this regard ?

5. Explain the concept of transfer pricing. How is it useful for a Multi National Company (MNC) ? Discuss the methods used for determining Transfer Prices.
  6. Discuss in detail the :
    - (a) IMF's Funding Facilities
    - (b) Global Depository Receipts (GDRs)
  7. How are investors benefited by investing in Foreign Securities ? Explain the concept of international diversification and show its importance and benefits as compared to domestic investment.
  8. Write short notes on the following.
    - (a) Multinational Receivable Management
    - (b) Economic Integration
    - (c) Arbitrage
    - (d) Foreign Currency Convertible Bonds (FCCBs)
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