

## MANAGEMENT PROGRAMME

### Term-End Examination

February, 2021

### MS-045 : INTERNATIONAL FINANCIAL MANAGEMENT

*Time : 3 hours*

*Maximum Marks : 100*

*(Weightage : 70%)*

---

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

---

---

1. Briefly describe the well known theories of International Trade and discuss in detail the Comparative Cost theory and the Modern theory of International Trade.
2. What are the main features of the exchange rate regime that was designed at Bretton Woods ? Discuss the different options available under the Fixed exchange rate system and Floating exchange rate system.

3. What do you understand by Forward Market ? Describe the special features of a forward contract and explain Arbitrage in forward market giving suitable examples.
4. What do you understand by Exchange Rate Exposures ? Describe the different types of exchange rate exposures and the techniques adopted to manage them.
5. Discuss the different types of Export Credit granted by banks. What is the role of Letter of Credit in this regard ? Explain the procedure of negotiation of bills under Letter of Credit.
6. Why is the Cost of capital important for a firm ? Explain the reasons for variations in the cost of capital across different countries.
7. In what respects does International capital budgeting differ from Domestic capital budgeting ? Describe the various issues which arise in International capital budgeting.
8. How is the working capital management in multinational firms different from that of domestic enterprises ? Discuss the transactions under intra-corporate transfer of funds and variables which influence such transfers.

---