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MANAGEMENT PROGRAMME

Term-End Examination

June, 2017

**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 explain the well known theories of international trade - Compare and Contrast the Comparative Advantage Theory and Comparative Cost Theory.
2. What do you understand by Equilibrium, Disequilibrium and Adjustment in the context of balance of payments ? Explain the process of adjustment using Classical and Keynesian Approach.
3. Explain Interest Rate Parity Relationship and discuss reasons for deviation from it.
4. Discuss different types of Exchange Rate Exposures and explain the various techniques used for Management of Transaction Exposure.

5. Discuss in detail the following :
 - (a) Tariff and Non-tariff barriers to trade
 - (b) Global Depository Receipts

 6. What do you understand by External Commercial Borrowings (ECBs) ? Explain the procedure adopted for raising ECBs.

 7. How does cost of Capital for Multinational Companies (MNCs) differ from that of domestic firms ? Explain how the Cut off rate for foreign projects determined.

 8. What forces stimulate Foreign Direct Investment in a country ? Why is taxation a crucial issue for taking FDI decisions ?
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