

02435

**MANAGEMENT PROGRAMME**

**Term-End Examination**

**June, 2018**

**MS-045 : 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. Discuss about the various Exchange Rate Arrangements. Explain and distinguish between Fixed Exchange Rate and Floating Exchange Rate System.
2. What are the special features of a Forward Contract ? Explain Arbitrage in Forward market giving suitable example.
3. Discuss the Purchasing Power Parity Theory, giving it applications and explain the reasons for deviation from it.
4. What are the different types of Exchange Rate Exposures ? Explain the techniques used to manage Transaction and Economic exposure.

5. What role does Export Credit Guarantee Corporation (ECGC) play in financing of exports from India ? Discuss the various types of guarantees offered by ECGC. What are the risks covered by standard Policies issued by it ?
  6. Why is cost of capital important for a firm ? Explain the reasons for variation in cost of capital for MNCs vis-a-vis domestic firms.
  7. Explain the important issues pertaining to foreign investment and discuss their implications in Capital Budgeting Decisions.
  8. What do you understand by International Diversification ? Discuss the barriers to international diversification. What are the vehicles for overcoming capital flow barriers ?
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