

MANAGEMENT PROGRAMME

Term-End Examination

June, 2015

**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 ? Compare and contrast the Comparative Advantage Theory and Comparative Cost Theory.
2. What do you understand by Spot Exchange Market ? Discuss the role of the major participants in this market.
3. Explain the Purchasing Power Parity Theory with the help of an example. Can there be deviations also from Purchasing Power Parity relationship ? If so, what factors are responsible for the same ?
4. What do you understand by Exchange Rate Exposures ? Describe different types of exchange rate exposures and the techniques used to manage them.

5. Describe in detail the broad scheme of Foreign Exchange Management Act (FEMA) ? What are the salient features of FEMA relating to Joint Ventures abroad ? Discuss.
 6. 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 under Standard Policies issued by it ?
 7. How is working capital management in multinational enterprises different from that of domestic enterprises ? Discuss the transactions incorporated under intra-corporate transfer of funds and the variables which influence such transfers.
 8. Why do prudent investors follow the policy of diversification while investing their funds ? Discuss the different strategies that can be adopted by them for global investment diversifications.
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