

MS-45

Management Programme

**ASSIGNMENT
SECOND SEMESTER
2017**

MS- 45: INTERNATIONAL FINANCIAL MANAGEMENT



**School of Management Studies
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
MAIDAN GARHI, NEW DELHI – 110 068**

ASSIGNMENT

Course Code	:	MS-45
Course Title	:	INTERNATIONAL FINANCIAL MANAGEMENT
Assignment Code	:	MS-45/TMA/SEM-II/2017
Coverage	:	All Blocks

Note : Attempt all the questions and submit this assignment on or before 31st October, 2017 to the coordinator of your study center.

1. What is International Financial Architecture? Compare and contrast the Comparative Advantage Theory and Comparative Cost Theory.
2. 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?
3. What do you understand by Exchange Rate Exposures? Describe different types of exchange rate exposures and the techniques used to manage them.
4. Why is Cost of Capital different across countries? Explain how does the Cost of Capital for MNCs differ from that for domestic firms.
5. Discuss the factors that stimulates FDI in a country. Explain the influence of taxation policy of host country on FDI.