

MANAGEMENT PROGRAMME

Term-End Examination

December, 2013

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

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

1. Explain in detail how the international financial architecture evolved over a period of time.
2. How are exchange rate regimes classified ? Do you agree with the new that fixed exchange rate is better than floating rate ? Discuss.
3. Explain Purchasing Power Parity (PPP) relationship and its applications. What are the reasons for deviations from such relationship ?
4. Describe different types of foreign exchange exposures and explain the techniques used for management of Translation exposure.

5. Explain in detail the Guarantees provided to Banks by Export Credit Guarantee Corporation. What are the special schemes offered by this corporation ?
 6. Why is cost of capital for MNCs different from that of domestic firms ? How is the cut off rate for a foreign project determined ?
 7. Discuss the various specific issues involved in multinational capital budgeting which are not normally relevant in case of domestic projects.
 8. What are the factors that motivate Foreign Direct Investments in the host country ?
-