

MANAGEMENT PROGRAMME

N Term-End Examination

December, 2012

MS-45 : 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. Compare and contrast the Competitive Cost Theory and Comparative Advantages Theory of international trade.
2. Describe the different kinds of international financial flows. Explain how are international financial flows recorded in the balance of payments.
3. Explain the purchasing power parity relationship, giving its applications and the reasons for deviation.

4. What is exchange rate exposure ? Discuss the techniques used to manage the different types of exchange rate exposures.
  5. Discuss the various types of export credit facilities available to exporters from commercial banks in India.
  6. Why does the cost of capital for MNCs differ across countries ?
  7. What are the major cash outflows and inflows associated with a foreign project ? Discuss the features of foreign projects which make their evaluation different from that of domestic projects.
  8. What is meant by portfolio investment ? Describe some of the barriers in the way of international portfolio diversification.
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