

No. of Printed Pages : 3

MMPF-005

**MASTER OF BUSINESS
ADMINISTRATION (MBA)**

Term-End Examination

December, 2023

**MMPF-005 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : (i) *Attempt any **five** questions.*

(ii) *All questions carry equal marks.*

1. What do you understand by international liquidity ? Explain the role of SDR in this regard and describe the funding facilities provided by International Monetary Fund (IMF) to member countries.

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2. What do you understand by Purchasing Power Parity (PPP) ? Discuss the applications of this relationship and describe the reasons for its deviation.
3. What is a currency option ? Discuss the factors impacting price of an option and describe how can they be used to offset the risk of appreciation and depreciation of currency.
4. Describe in brief the various types of Exchange Rate Exposure and discuss techniques of managing transaction exposure.
5. What are the various types of Export Credit ? Explain the terms and conditions associated with granting of export credit in foreign currency.
6. Why is cost of capital different across countries ? How is cut-off rate for foreign project appraisal determined ?

[3]

7. What is International Capital Budgeting ?
Discuss the issues involved in foreign investment analysis.

8. What do you understand by international diversification ? Discuss the barriers to international diversification and describe how they can be overcome.