

00861

## MANAGEMENT PROGRAMME

Term-End Examination

June, 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. Explain in detail the causes and consequences of the East Asian Crisis of 1997.
2. What is Floating exchange rate system ? Explain the historic developments which led to floating exchange rate system.
3. Explain the interest rate parity relationship, giving it's applications and reasons for deviation.
4. What are derivatives ? Describe a swap deal with an example.

5. What are External Commercial Borrowings (ECBs) ? Discuss the procedure for raising ECBs and regulations regarding their end use.
  6. Why is cost of capital for MNCs differ from that for domestic firms ? How is the cut off rate for foreign projects determined ? Discuss.
  7. Discuss, the various techniques to optimize cash flows of MNCs. What are the complexities in optimization of cash flows ? Discuss.
  8. What is meant by Foreign Direct Investment (FDI) ? What forces stimulate FDI in a country ? Discuss.
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