

02461

MANAGEMENT PROGRAMME

Term-End Examination

June, 2014

**MS-45 : INTERNATIONAL FINANCIAL
MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

(Weightage : 70%)

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

1. Mention the well known theories of international trade and explain the comparative cost theory and the Modern Theory of International Trade.
2. What are the special features of a forward contract ? Explain Arbitrage in Forward market giving suitable examples.
3. Why is cost of capital important for a firm ? Explain the reasons for variations in the cost of capital across different countries.
4. Discuss some of the issues that deserve consideration in multinational capital budgeting which are normally not relevant in case of a domestic project.

5. What do you understand by Translation Exposure ? Discuss the different methods used for foreign currency translation.
 6. What are the major problems faced by MNCs in managing cash ? Describe the techniques through which cash flows can be optimized, what complications arise during optimization of cash flows ?
 7. Explain the following :
 - (a) Tariff and Non-tariff barriers to trade
 - (b) Forms of International financial flows
 8. Explain the various lending programmes of Export Import Bank of India for exporters. What are the facilities provided by it for commercial banks and overseas entities ? Discuss the meaning and role of Guarantee facility and forfaiting service provided by it.
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